

***An evaluation of the impact of adult children on  
parents' financial planning for retirement.***

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This dissertation is submitted in partial fulfilment of the requirements for the award of Master of Financial Planning and Business Management by the Manchester Metropolitan University Business School.

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## **Declaration**

The author has not, whilst being registered for the Masters award, been a registered candidate for another award of a university.

The material in the dissertation has not been used in any other submission for an academic award and any assistance received has been acknowledged.

## Acknowledgements

I signed up to this course in December 2019. I'm writing these acknowledgments in November 2020. Plenty has happened in those precious 11 months: I have moved house, our family business 'boosst' won a major national award, and something else you may recall... COVID-19. It has been a year of disruption and struggle, however there has also been many positives which deserve to be celebrated. Completing this course is certainly one of them.

Arguably I would not have made it without the help and support of some very special people.

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## Abstract

*Planning for the future is beset with uncertainty.* For a family trying to project what financial resources they will need to accumulate in order to provide for their future needs in retirement, this statement may never have been more true. When planning with such significant uncertainties, such as; future asset growth rates, inflation, longevity and health, sadly the only certainty is that the task is not straightforward. Where families also have children, but do not know; when their child will be wholly independent, what support they might require until that point or whether they can rely upon their children to support them in old age, these added uncertainties only make the task more complex. The objective of this thesis is to evaluate how children impact their parent's retirement planning and how parents plan differently for retirement compared to their childless neighbours. Using Hershey's three dimensional model of *capacity, willingness* and *opportunity* (Hershey et al., 2013), the study used semi-structured interviews, to obtain primary data for thematic analysis. The sole focus of the interviews was to build an understanding of how participants are approaching their retirement planning and what impact their children have had on their plans. The interviews revealed that children can continue to have a detrimental impact on their parent's ability to plan for retirement, even after reaching adulthood. Parents often have less opportunities to accrue wealth compared to childless households and tend to be less willing to save for their own future needs, instead prioritising additional ongoing support for their offspring. Although there are some instances where children do provide support and ease parent's retirement planning, children are generally less of a 'help', and more of a 'hinderance' to confident retirement planning.

### **Keywords:**

Financial planning, retirement, parents, children, capacity, willingness, opportunity.

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## 1 Introduction

Financial Planning for Retirement (FPR) is the gathering of assets to fund expenditure in the post-retirement stage of life. FPR has become increasingly complex over the last two decades (Feldman and Beehr, 2011), with a culmination of three key trends increasing uncertainty for savers. Firstly, increased lifespans are contributing to a longevity crisis, whereby savers need to accrue greater retirement provisions to fund their desired standard of living over a longer period of retirement (Kirkwood, 2017). Secondly, there has been a global shift in responsibility for accruing retirement provisions from employers offering defined benefit pensions to individuals accruing defined contribution savings for retirement (Baldwin, 2008; Poterba, 2014; Poterba, Rauh, Venti and Wise, 2007). A third key trend has been a shift in intergenerational dependency; which means that retirees may carry responsibility for their own parents' medical care, as well as supporting their adult children for whom rising house prices have hindered home ownership. The combination of these three key trends means that determining how much money is 'enough' to retire has become increasingly complex (Dosman, Fast, Chapman and Keating, 2006).

As FPR has become more important for individuals, researchers have begun to take a greater interest in the topic, with the vast majority of research occurring after 2000. A library search in May 2020, shows 3,648 results for the search term 'Financial Planning for Retirement', of which 3,172 have been published after 2000. Of those, 2,000 have been published after 2010, showing a distinct rise in interest for the topic. Early research successfully linked single topics to retirement decision-making, such as the role of age-related state benefits as an indicator of when an individual expects to retire (Ekerdt, Hackney, Kosloski and DeViney, 2001), the increased likelihood of bridge employment for individuals who have not looked forward to retirement (Adams and Rau, 2004) and the finding that spouses directly influence each other's retirement decision-making (Henkens and van Solinge, 2002). Despite a growing collection of these standalone findings, researchers have not successfully linked multiple theories to create and agree upon a single comprehensive model for understanding retirement decision-making and the retirement planning process.

The most encouraging model to date is the 'Capacity-Willingness-Opportunity Model' that was proposed in 2013, by Hersey, Jacobs-Lawson and Austin (*Hershey's Model of FPR*). This model of FPR integrates the entire journey from first envisioning retirement to post-retirement actions. In this regard, it is not dissimilar to Feldman and Beehr's earlier 'Three Phase Model of Retirement Decision Making' (2011) but helpfully, the 'Capacity-Willingness-Opportunity Model' brings a wider range of factors into consideration. The model published in 2013 is by no means a finished work, as it overlooked many subtle factors; such as procrastination, job satisfaction, financial self-efficacy and social support. In an effort to attain

the goal of a single comprehensive model for retirement planning, some of these topics have since been explored by researchers, who have extended the spread and validity of the original model. Unfortunately, there remain many gaps in the 'Capacity-Willingness-Opportunity Model' and the extended research since undertaken has failed, to any great extent, to consider the implications or impact of adult children on parents' retirement decision-making. Whilst extant research has explored the financial cost of raising a child and the impact this can have on a parents career (Adda, Dustmann & Stevens, 2017), there are many more avenues to be explored around the co-dependency of parents and adult children throughout the retirement journey; and of particular interest, is whether adult children are a help or a hinderance to FPR.

This study seeks to extend existing research and specifically build upon the 'Capacity-Willingness-Opportunity Model', in the hope of contributing to an eventual single and comprehensive model for FPR. In addition, the outcome of this research is likely to provide financial planners with a greater understanding of how their clients with and without children are thinking about FPR. Whilst financial planners are trained to high professional standards and in many cases have decades of client-facing experience, there is an absence of general guidance in textbooks or industry publications for how childless couples may think and plan differently to parents. This study may be helpful for advisers working with clients that are close to retirement, as well as financial planners that are working with younger clients that are in the accumulation phase of life and have a lifetime of meaningful decisions ahead of them.

This empirical study comes at a time where COVID-19 has interrupted normality, leaving the population somewhat paralysed by localised lockdowns and general indecision. Just in case planning for retirement was not complicated enough already, savers have seen their difficulties exacerbated during the current COVID-19 crisis, particularly those with retirement savings invested in equities which tumbled in value. A recent publication from the Institute for Fiscal Studies (Crawford and Karjalainen, 2020) suggests that as much as 13% of the UK population 'have changed their retirement plans as a result of the pandemic' (ibid:4).

The importance of furthering the empirical research on FPR seems clear, as a large proportion of workers wish to retire as soon as possible (Blanchet and Debrand, 2008) and the challenge of retirement planning is not getting any simpler. If households do not successfully undertake FPR, many will be forced to work longer than they might have hoped and we will likely see a rise in state dependency amongst retirees (Ekici and Koydemir, 2016).

## 2 Literature Review

The purpose of this study is to evaluate how adult children can impact their parent's financial planning for retirement; therefore, this section explores the extant academic literature to provide a base level of understanding before any new research is conducted. To conclude, the literature has been synthesised through the means of comparison, evaluation and identification of the key concepts, to establish informed research objectives that influence the structure of the study.

### 2.1 Review of Literature

As this study intends to build upon the 'Capacity-Willingness-Opportunity Model', it is important to fully understand and explore this framework. In this model, *capacity* refers to the intellectual and cognitive factors required to successfully plan for retirement and has traditionally been assessed in terms of financial knowledge and literacy (Ameriks, Caplin and Leahy, 2003; Lusardi and Mitchell, 2007, 2011, 2014). Significant prior research suggests that financially literate individuals, who intentionally plan for retirement, will accumulate greater wealth and be more confident in their eventual decision to retire. This is supported by researchers who have concluded that financial knowledge is a pre-requisite of successful FPR (Banks and Oldfield, 2007; Perry and Morris, 2005; van Rooij, Lusardi and Alessie, 2012). Gustman, Steinmeier and Tabatabai (2010) contradicted this traditional outlook by suggesting that the causality may run from wealth to financial literacy, however this alternative outlook strengthens the view that understanding *capacity* is of great importance to FPR. In addition to financial literacy, capacity can also be assessed in terms of an individual's decision-making skills and cognitive abilities; a broad range of prior research has found that perceptual and cognitive biases can lead to suboptimal financial decision-making (Frick, 2001; Pronin, 2011). Independent of financial literacy, individuals who are less aware of their own inbuilt biases tend to over or under invest in FPR, whilst others completely put-off FPR even where it is clear that they are not on-track to achieve their goals. Individuals that have the opportunity to save and are willing to do so but lack financial capacity can be described as 'incompetent planners' (Hershey et al., 2013). An incompetent planner is one who may be 'engaged by the task but, based on cognitive or knowledge deficits relative to others, would be the most likely to make suboptimal investment decisions' (Hershey et al., 2013:409).

By adding *willingness* to the model, the 'Capacity-Willingness-Opportunity Model' is able to account for emotional factors, which can help to explain why some individuals defer planning for retirement whilst others are highly motivated to plan for their future. For example, women in the UK seem to lag behind men when it comes to FPR (Scottish Widows, 2019) and, when compared to individuals, couples around the world are '...more likely to be successful in executing their plans' (van Rooij et al., 2012:467). Individuals that have both the intellectual

capacity and opportunity to save but are unwilling to take action can be described as 'unmotivated planners' (Hershey et al., 2013). An unmotivated planner is one who 'lacks the motivation to plan and save' (Hershey et al., 2013:409), which may be caused by a wide array of internal factors, such as a negative attitude towards the financial services industry or a lack of clear personal goal setting. A qualitative study was recently undertaken by Robertson-Rose (2019) to explore how individuals can be more or less willing to prepare for retirement based on how they see their parent's retirement experiences unfold. The study found that parents can 'play a role in the retirement financial well-being of their adult children by helping them develop retirement savings values' (Robertson-Rose, 2019:372). The research concluded that those who witness parents plan successfully for retirement are motivated to do the same; and conversely those who witness parents unsuccessfully prepare for retirement are also provoked to take action, to give themselves a better retirement outcome than they have witnessed for their parents. If both outcomes are indeed beneficial for the willingness to save for retirement, then young adults who have either lost parents or do not have an ongoing relationship may be the least willing to save, without an older generation to follow into retirement.

A further dimension of *willingness* is the notion that not all decision-making is predictable, particularly when the time horizon is long and decisions must be made today. March (1978) proposed that individuals are less willing to make decisions today that will impact their future options, particularly where today's decisions will limit the future options available to them. Saving for retirement is the literal exercise of forgoing money today, to fund your predicted future needs; with the key challenges of not knowing the future cost of goods and services or how long you will live for. Applying March's (1978) efforts to this study, it could be theorised that couples without children may feel that life is full of possibilities without financial dependents who could give their future a fixed direction or purpose. This lack of direction and abundance of choice may restrict the decision-making abilities of childless couples who see their future choices as unrestricted and boundless. The opposite may be true for parents, where the timeline of their children growing up could form the outline of a future that they can envision and plan for together.

The role of *opportunity* within this model acknowledges that not all savers will have the same opportunity to plan or save for retirement. *Opportunity* helps to account for the difference in FPR between individuals that are living in more or less expensive areas, have higher or lower levels of household income and greater or lesser responsibility to support other family members. Individuals that have both the intellectual capacity and an inner willingness to save but 'lack good opportunities to invest' (Hershey et al., 2013:409) can be described as 'frustrated planners' (Hershey et al., 2013). Despite a lack of opportunity, frustrated planners can still enjoy good retirement planning outcomes as they are highly motivated and so likely

to find a mechanism to change their present situation and achieve their ambition to set aside resources for the future. For parents, child rearing responsibilities can be an impediment to work and career progression, which could restrict household income and remove the opportunity to save.

A topical example of the importance of *opportunity* in FPR is the introduction of 'automatic enrolment', whereby qualifying UK workers became automatically opted-in to workplace pension schemes from 2012 (The Pension Regulator, 2017). Automatic enrolment has been shown to dramatically boost the membership of workplace pension schemes (Madrian and Shea, 2001) by removing the barrier of opting-in to pensions. Automatic enrolment legislation exploits savers tendency to stick to the status quo (Oliver, 2013) and maintain an aversion to loss (Thaler and Sunstein, 2012). Workers who amassed the majority of their working years before 2012, when workplace pensions were a choice and not yet a necessity, may not have had the same *opportunity* to save for retirement.

The work of Topa, Lunceford and Boyatzis (2018) extended *Hershey's Model of FPR*, when they found that an individual's ability to form a view of their ideal self in retirement is a highly beneficial trait for FPR. This ability is hampered by uncertainty which manifests in many forms, from personal health concerns to fluctuating income patterns. Uncertainty is such a hindrance to FPR that Moffatt and Heaven (2017) suggest that attempting to plan for retirement is riddled with such difficulty, that savers should simply begin 'thinking through' their options instead of trying to plan their exact retirement outcome.

A major source of uncertainty for parents undertaking FPR is an understanding of how the needs of their adult children might impact upon their own retirement plans (Moffatt and Heaven, 2017). As an example; rising house prices that outpace wage growth (Turton, 2019) and the increased cost of modern university tuition (Reland, 2018) have made it common for parents to contribute to their children's' house deposit. If parents were to behave as predicted by life-cycle theory (Modigliani and Ando, 1957), they would design a savings plan to accrue funds whilst working to provide for their own consumption in retirement (Attanasio and Weber, 2005; Crawford and O'Dea, 2012). By deviating from the life-cycle approach and supporting their children's house purchase, parents are displaying a reduced *willingness* to save for retirement and have lost the *opportunity* to use those funds themselves. As a result, parents who feel obligated to offer financial support to adult children tend to remain in the workforce for longer, with a more pessimistic attitude toward retirement (Clark, Johnson and McDermid, 1980; Hayward, Friedman and Chen, 1998; Henkens, 1999; Henkens and Tazelaar, 1997; Turner, Bailey and Scott, 1994). Whilst this is a relatively clear example of how adult children may impact their parents FPR, there are other factors that may help or hinder parent's retirement planning which have not yet been explored.

Previous research has identified that ‘...individuals with financial responsibility for children are less likely to retire.’ (Szinovacz, DeViney and Davey, 2001:S25). This finding is somewhat narrow as it does not give consideration to couples who may seek to accelerate retirement, in order to spend leisure time with their children and grandchildren. Gupta (1995) and Szinovacz et al. (2001) both found that some individuals might prefer to work for longer, to retain opportunities for social contact and self-fulfilment outside of a traditional family context. No research has previously explored whether this social-contact motivator is more prevalent for childless couples, who may have less opportunity for social contact in their day-to-day life post retirement.

Previous research that considers the impact of geography and where people choose to settle in retirement has mostly been restricted to understanding the impact on retirement of a lengthy commute to work (Chapela, 2012). There is significant scope for wider research on location; for example, it would be significant for FPR if parents feel a significant geographical anchor to the location of their offspring. If this were the case, not knowing where children might settle when planning for retirement could be a significant hinderance to both *capacity* and *willingness*.

There are some concerning trends around the future provision of later life care in the UK which stem from having an ageing population which has a declining fertility rate (Institute for Health Metrics and Evaluation, 2020). It is fair to assume that; adult children who care for their parents will be caring for a longer period of time, it is unlikely that adult children will be able to provide care for all of those who need it, and adult children in the workforce will increasingly struggle to balance care with their employment - particularly with a rising state pension age. A report was published in 2014 by the Institute for Public Policy Research (McNeil and Hunter) to highlight how poorly prepared the UK is for the projected age demographics of the population in 2050. Their report suggested two key actions; to ‘adapt’ existing social structures such as family caring and public services, and to ‘build’ new community institutions capable of sustaining the aged population. Researchers have explored the impact on younger generations of providing care for older generations and tend to agree that seeing parents in need of physical assistance can motivate the younger generation to bring forward their own retirement (Kolodziej, Reichert and Schmitz, 2018; Kridahl, L. and Silverstein, M., 2020; Niimi, Y.,2018). Extant research has largely failed to view this same question from the opposite perspective, to understand whether parents adjust their retirement planning, depending on whether they have children that they expect to rely upon in later life. In this case, being a parent may be beneficial for FPR if childless savers feel that they cannot rely on support from younger family members and must accrue greater wealth themselves to fund their care in later life. This study will seek to understand how

members of the UK population are planning for care in later life, and specifically how the presence of adult children may impact their plans.

## **2.2 Summary of Literature Review**

The review of literature has presented a range of retirement decisions that retirees will likely contend with, which may be impacted by the presence of adult children. This provides topics which require further exploration in order to better understand how children may impact their parent's retirement planning and decision-making.

The topics identified are:

- T1** Retirement age
- T2** Retirement location
- T3** Accruing provisions for retirement
- T4** Funding care in later life
- T5** Leaving a legacy

## **2.3 Research Objectives**

The purpose of this research is to reveal how adult children can impact parent's financial planning for retirement. This research is not concerned with calculating the financial cost of raising children but hopes to bring a depth of understanding to wider retirement decisions, such as age of retirement, location, care needs and motivation to leave assets beyond death.

The following research questions are proposed in this study:

**RQ1:** What effects can adult children have on their parents financial planning for retirement?

**RQ2:** How do parents plan for retirement differently to those without children?

### 3 Conceptual Framework

Although the review of existing literature has identified significant research gaps, the available literature seems to suggest that adult children can both lift the burden of financial planning for retirement in some cases, whilst adding complexity for others. The conceptual framework shows these two opposing forces and provides a structure to present the findings of this study.

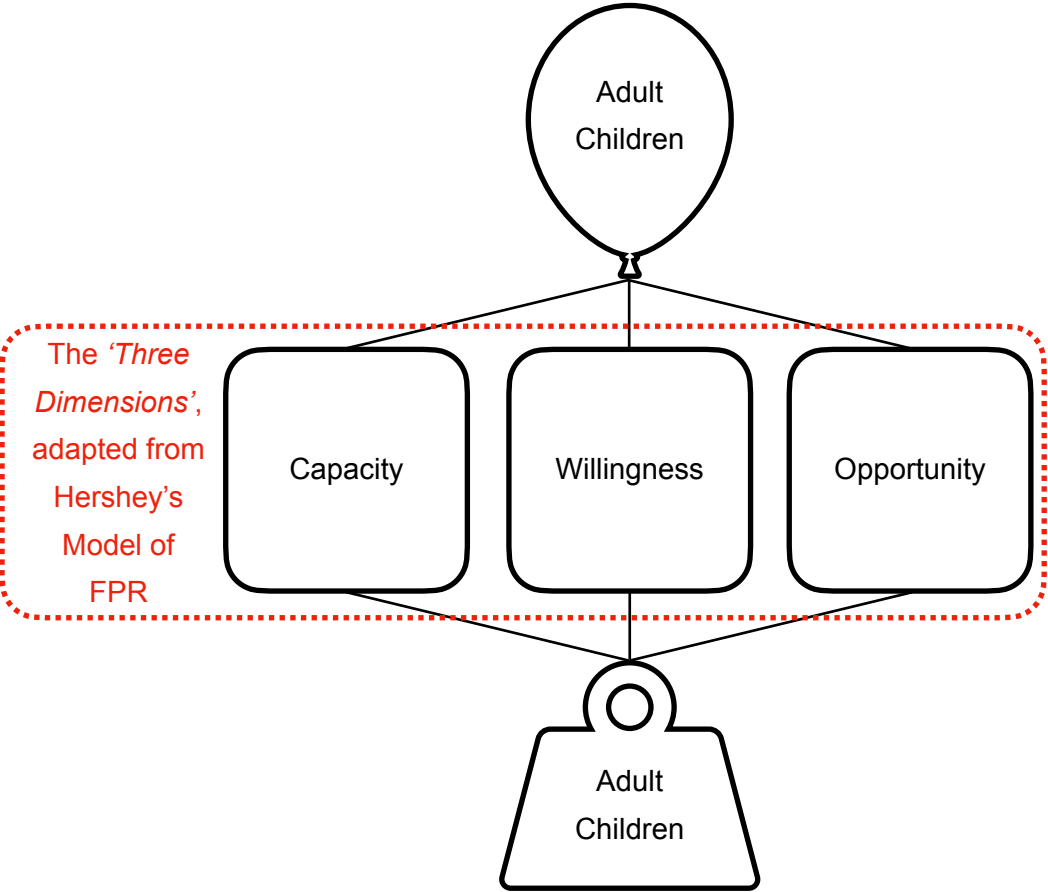


Figure 1 - Conceptual Framework

The study will explore the ways in which adult children can either be a help or hindrance to parent's financial planning for retirement.

## 4 Methodology

The purpose of this study is to reveal how adult children can impact parent's financial planning for retirement. The methodology has been designed to produce primary data to answer the proposed research questions:

**RQ1:** What effects can adult children have on their parents financial planning for retirement?

**RQ2:** How do parents plan for retirement differently to those without children?

### 4.1 Research Methodology

To advance the academic knowledge of this topic, this study combines a review of literature with a series of semi-structured personal interviews to obtain primary data. Whilst the review of literature has started to shed light on **RQ1**, a further exploration within the subsequent interviews can add colour and depth to the findings. There is very little existing literature to inform **RQ2**, so this second research question was a key topic for the interviews.

### 4.2 Ontology

It is this researcher's axiological belief that data obtained from a personal interaction and conversation is more likely to be a fair and unbiased reflection of the subject's perception of their own lived experience and reality. This underlying philosophy is formed from an interpretive understanding of the world, which acknowledges that individuals have consciousness and will not always behave as can be expected or predicted. When contending with a topic as complex as FPR, this degree of pragmatism is required to understand that not all savers will think in the same way.

The chosen method of personal interviews is well suited to this philosophical approach and is intended to produce rich data that can provide insight in to the subjects thinking, in order to form views and theory. Semi-structured interviews offer a valuable approach for the interpretivist, as participants are granted the freedom to express their views in their own words. Humans are complex beings and can communicate meaning in abstract ways; this method granted the researcher an opportunity to spend time with participants, listen to their thoughts and ask open questions to further explore when appropriate. By using a semi-structured approach, the interviewer is being granted the space and capacity to further '... explore points of interest, and clarify and confirm meanings.' (Saunders, Lewis and Thornhill, 2019:434).

The literature review above (section 2) and the research questions indicate that the chosen topic is not yet well understood and it is appropriate to use qualitative methods for this research, to provide a depth of understanding and rich data. Previous researchers who have sought to extend *Hershey's Model of FPR* have also used qualitative research methods to gather rich data and inductively form theory (de Wind et al., 2013; Barnett, Guell, and Ogilvie, 2013; Van Dyck et al., 2017). This has often been followed by separate quantitative research to deductively test the emergent theory with a wider subject group to broaden the initial findings. Like others who have extended *Hershey's Model of FPR*, this qualitative approach may lay the foundations for a subsequent quantitative study to deductively assess the resulting theory with a wider subject group, to broaden the initial findings. A more comprehensive 'mixed methods' approach was considered for this research, as a secondary quantitative exercise may have been able to extend the findings from the initial qualitative research - however this was discounted due to the time and resource restrictions in place.

### **4.3 Data Collection**

A pilot interview was undertaken on July 30th, followed by a series of eight interviews between 11th August and 17th September in 2020.

#### **4.3.1 Pilot Interview**

The pilot interview was designed from the findings of the literature review, which was a review of secondary data. Five topics emerged from the review of literature and they provided the shortlist of areas to discuss with participants.

The five topics were:

- T1** Retirement age
- T2** Retirement location
- T3** Accruing provisions for retirement
- T4** Funding care in later life
- T5** Leaving a legacy

A short interview format was created with sample questions and two existing clients of the researcher were invited to participate. By selecting participants known to the researcher, the retirement planning thinking and decisions of the participants were already known in advance. This allowed the researcher to understand which questions gave the participants relevant opportunities to share relevant points and thus enabled the researcher to hone their approach. The pre-existing relationship also gave the participants confidence to provide genuinely helpful and honest feedback of the process, which proved critical to the success of the interview design. Following the pilot interview, the planned interview introduction for

participants was refined, two sample questions were disregarded and three more were added.

#### 4.3.2 Research Design

The starting aim was to undertake interviews with up to eight individuals/couples willing to discuss their personal finances and financial planning for retirement. The concern that some couples do not tend to openly discuss their finances (Trachtman, 1999) was identified in the literature review. To help mitigate this, all interviews were undertaken by a qualified and actively practising financial planner. Through his daily activities, the researcher has access to a group of clients who are willing and comfortable to discuss their finances and financial planning for retirement.

In order to inform and resolve **RQ2**, the chosen sample had to include participants both with and without children. A further sub-group of the sample was added to capture the views of subjects who are both pre and post retirement. By interviewing participants that are both pre and post retirement, the resultant data has enabled the researcher to form an understanding of the expected impact of adult children upon FPR pre-retirement, as well as the actual impact, after retirement has begun. This provides a helpful comparison of *expectation* versus *reality*, as there is no guarantee that an exercise as complex as retirement will unfold exactly as expected. It is also helpful to include couples who are not known to the researcher to understand if this variable has any significant impact. Although it was not a requirement for the unknown participants to not have any experience of financial planning, it was helpful to include participants who are not existing clients and have not benefitted from the input of a financial planner.

The prior relationship between the interviewer and half of the participants presents a limitation which is worthy of further exploration at this stage. The impact of this could range from motivating participants to exaggerate their views to support the researcher, to withholding facts if the participant feels that they should have disclosed them at some point earlier in their relationship with the interviewer. There is also a risk that participants do not mention facts that they assume the researcher is aware of, which could then become overlooked as they are not recorded on the transcript. Indeed this eventuality arose during the pilot interview, which resulted in the researcher drafting clearer instructions to be shared with all later participants. This improvement allowed the researcher to ask all participants to not assume that the researcher was aware of their plans or their thinking. Instructing participants to explain their thoughts in their own words and assume that the researcher is otherwise unaware of their financial position proved to be particularly successful, as some participants articulated their thinking in ways that they had not previously, enriching the researchers understanding of their views. The researcher remains hopeful that the pre-

existing relationship with half of the sample provided benefits which outweighed this limitation; for example, this approach enabled the researcher to consciously invite subjects that are otherwise similar, in their view. As the researcher already holds a broad understanding of the subjects financial background and lifestyle motivators, this helped to isolate the impact of adult children, where other factors have been somewhat controlled.

Based on the above commentary, the target participants have these characteristics:

Participant Reference	Is known to the researcher	Is not known to the researcher	Has children	Does not have children	Pre-retirement	Post-retirement
C	Blue		Yellow		Dark Purple	
E	Blue		Yellow			Light Purple
B	Blue			Light Yellow	Dark Purple	
G	Blue			Light Yellow		Light Purple
F		Light Blue	Yellow		Dark Purple	
D		Light Blue	Yellow			Light Purple
H		Light Blue		Light Yellow	Dark Purple	
A		Light Blue		Light Yellow		Light Purple

Table 1 - Participant characteristics

The original intention was to conduct fewer than the eight planned interactions if sufficiently rich data was obtained, or more than eight if new information was still being discovered. After the seventh interview a point of saturation was reached, whereby no new information or views were arising. As all eight participants had unique characteristics, the researcher proceeded with the eighth interview to capture all of the desired perspectives. Whilst the eighth interview provided data that supported and agreed with views previously shared in earlier interviews, no new information was gained, which provided reassurance that saturation had indeed been achieved.

Giving consideration to the ongoing COVID-19 pandemic, social distancing measures are in place and are designed to restrict social contact. In keeping with government guidance, interviews were undertaken remotely using Zoom and recorded with the participants consent. It was highly beneficial to use video calling software instead of a phone call, as it ensured that the interviewer could visually detect any confusion or unease displayed, and either probe further or redirect the conversation as required. By seeing each other on a video call, a reassuring level of intimacy was created for both the interviewer and the participants; which proved particularly important when talking to couples who were not existing clients and may

not otherwise be as naturally comfortable discussing their finances and plans for retirement. To ensure that this research is verifiable; transcripts of the spoken word were produced verbatim, with the addition of comments where appropriate to indicate any significant gestures or emotions displayed by the participants.

The first impression of the interviewer can be particularly important for interviewees that do not have an existing relationship with the interviewer. A poor first impression can create a poor perception and result in interviewer bias or response bias (Saunders et al., 2019:447), either of which could impede the success of this research. In all cases, it was important for the interviewer to be appropriately presented and provide a coherent opening statement to explain the intentions of the research being undertaken. By shaping the start of the interview, the interviewer could allay any uncertainties about providing data, obtain informed consent to record the interaction and reconfirm that anonymity will be retained throughout the research process.

Questions were intentionally jargon-free and open-ended, so that they were easy to understand and allowed the participants to discuss each topic freely. Probing questions were used to dig deeper and gather rich data, but only when it felt appropriate to do so and the interviewees were comfortable. Where it was helpful to do so, the interviewer took opportunities to summarise certain topics that had been discussed, to ensure that responses have been correctly interpreted. All interviews followed a similar outline structure, with a pre-determined list of topics to be discussed and explored. The benefit of using a semi-structured approach is that the interviewer is able to use their judgement to direct conversation between topics, whilst retaining the ability to dig deeper or cross-question where appropriate (Ibid, 458). It is worth highlighting that although this research takes an inductive approach to obtain rich primary data and seeks to form theory from the data collected, there were instances where theory began to emerge part-way through the series of interviews. For certain areas where this occurred, the researcher adjusted the interview method to a deductive approach, to check the applicability of any emergent theory within the same context.

The sample questions shared in 'appendix A' provided a semi-structured framework for the interviewer, giving participants the opportunity to make their own personal comments on the five topics identified above.

#### **4.4 Data Analysis**

The collected data was coded and thematically analysed to identify themes and patterns that have emerged across the data set. Thematic analysis can lead '...to rich descriptions, explanations and theorising' (Saunders et al., 2019:651) and is well suited to this research.

There is no correct or incorrect outcome for this research as the research questions have a *symmetry of potential outcomes* (Gill and Johnson, 2010), meaning that the 'results will be of similar value' (Saunders et al., 2019:30) whatever the outcome. Themes that emerged from the coded data were further explored and analysed using data analysis software NVivo. The final data analysis exercise was to structure the outcomes using *Hershey's Model* of capacity, willingness and opportunity, with the ultimate aim of producing a more detailed version of the proposed 'opposing forces' conceptual framework above. The data analysis process is further explained in section 5.1.

#### **4.5 Research Limitations**

Given the breadth and complexity of the research topic, it is acknowledged that this study has limitations. The findings reflect the complex sets of circumstances that condition each interviewees experience, and thus they are not necessarily generalisable to a wider population. In addition, there are also some very specific limitations which are outlined below:

**COVID-19** - As this research was undertaken during the COVID-19 pandemic, face-to-face interviews were not a viable option so all interviews were conducted using Zoom. This added requirement for subjects to be proficient with technology such as Zoom in order to participate is noted as a limitation that could restrict the demographic range of subjects. This potential barrier was alleviated where possible with a written guide and the offer of telephone support for interviewees.

**Sampling** - The proposed sampling method is not random, as half of the subjects were directly invited by the researcher. It is a clear limitation that this half of the sample is not random although there are also benefits to this approach which have been outlined above. To balance against this, the other half of participants were all completely unknown to the researcher and were introduced by mutual connections. The researcher openly discussed the research with friends and family of different ages and they in turn proposed their own contacts to take part.

The total sample of eight individuals or couples is small, so any findings are restricted to the sample population and the limited demographic characteristics that are represented.

**Interviewer Bias** - The researcher could unintentionally allow interviewer bias to impact the research process. This limitation is '...where the comments, tone or non-verbal behaviour of the interviewer creates bias in the way that interviewees respond...' (Saunders et al., 2019:447) and can be difficult to omit, as the interviewer cannot help but display human traits. This was consciously considered by the interviewer throughout all conversations however this limitation can be difficult to remove entirely. The researcher reviewed the

recording of the pilot interview and noticed a degree of interviewer bias in both verbal comments and body language. This was a crucial learning from the pilot interview exercise and helped the researcher to adjust their approach to minimise interviewer bias leaking into this research.

**Response Bias** - Half of the participants were likely to demonstrate a selection of biases due to their pre-existing relationship with the interviewer. An effort was made to mitigate this by ensuring that the other half of the sample did not know the researcher.

#### **4.5 Ethical Considerations**

The research was undertaken with ethical considerations at the forefront of mind at all times. The first step to achieving an ethical research project was to ensure that all participants were fully informed from the outset of what they are being asked to undertake (Saunders et al., 2019). A participant information sheet was produced to explain the context of this research along with the advantages and risks that face participants. All participants were granted certain freedoms such as the opportunity to request a copy of their data, to decline any question without reason, to withdraw at any point and to access a copy of the finished research. Participants confirmed their willingness to participate by providing their informed consent by completing a formal consent form (appendix B).

Transcripts from interviews were anonymised prior to any data analysis to ensure that confidentiality is retained; this included redacting names, places and any other data that could lead to identification. Where participants shared information which constituted personal data, this was destroyed as soon as it was no longer required, in line with GDPR legislation. By anonymising the data captured within each transcript, the data being stored is no longer personal. As a further measure of caution, a concerted effort was made by the researcher to utilise participants that did not know each other, in an effort to minimise the possibility of inadvertently revealing the identity of another participant during interview conversation.

The nature of the topic of children and family has the potential to be upsetting; so particular consideration needed to be given for any participant that has lost a child, lost contact with a child, or not been able to have a child. In reality it was not possible to know in advance if participants have been affected by any of these issues, or any other related events that may cause emotional distress. To mitigate the risk of an uncomfortable position arising, a clear participant information sheet was written and shared in advance to clearly explain the nature of the research; it is hoped that this enabled participants to be best prepared for the topics that will be explored during the interview. Technology can help to resolve any issues that arise, as the video meeting format enabled the interviewer to observe the participants and be prepared to change the conversation topic if a participant appeared to be uncomfortable.

As half of the participants were known to the researcher and invited to take part in this study, the researcher could consciously invite participants that have previously been forthcoming and happy to discuss the topics of this research. Although participants had the opportunity to decline any question or withdraw from the research, all interviews were undertaken in good spirits and there were no occasions where these measures needed to be called upon.

## 5 Analysis

The basis of the analysis has been thematic and considered all of the key phrases, topics and thoughts that were shared by participants within the eight interviews. The analysis explores the differences of opinion, understanding and intention between participants with and without children, to understand what effects adult children can have on their parents financial planning for retirement and how parents plan differently for retirement compared to adults without children. The implications of this analysis are explored and discussed further within section 5.5 and section 6 'Conclusions'.

Comments made by participants are denoted by participant reference letters *A-H* and are noted as *MrA* or *MrsA* where it is deemed appropriate to identify which member of a couple has made a specific comment.

### 5.1 Data Analysis Process

It was suggested by Attride-Sterling (2001) that designing and following an appropriate qualitative analysis framework can be a common challenge for unseasoned researchers. To support the researcher when undertaking analysis of the data obtained, this study uses structure from Braun and Clarke's proposed framework for thematic analysis (2006).

The analysis has followed the following process:

#### **Phase 1: familiarising oneself with the data**

The researcher undertook all of the interviews and personally produced the transcripts in an effort to become completely submerged within the data. The transcripts were completed between each interview, allowing the researcher to steadily become more familiar with the data as each interview took place. This enabled the researcher to undertake early interviews in a wholly inductive manner, and adjust questions for later interviews to be deductive to the emergent theory. After each transcript was completed, it was read through again, in an active way, to search for meanings and patterns. A notebook was used by the researcher to note key phrases used and record any trends that began to emerge.

#### **Phase 2: generating initial codes**

The process of generating codes is key to analysis (Miles and Huberman, 1994) and begins to organise the written data into meaningful groups (Tuckett, 2005). Thematic analysis is generally conducted by applying codes to raw data in an effort to categorise the data by using short words or phrases that symbolise or summarise the data (Saunders et al., 2019). When producing codes from the transcribed data, the researcher followed the guidance of Braun and Clarke (2006) by not simply attaching meaning to the codes that were mentioned

most frequently, and instead considered the strength of the discussions and the wider meaning and context of what was being communicated by the participants.

### **Phase 3: searching for themes**

Themes are broader than codes and can be used to organise codes into general topics.

The following initial themes emerged:

**Theme 1** Children come first

**Theme 2** Legacy

**Theme 3** Planning for retirement

**Theme 4** Later life care

**Theme 5** Retirement age

**Theme 6** Location

Given that the initial themes are the product of the coded data from the eight interviews, it is not surprising that the initial themes share similarities with the five topics discussed with participants. Hidden beneath these initial themes there is a wealth of rich data which needs to be further analysed and refined to uncover meaning and develop theory. Section 5.2 provides an explanation of the initial themes.

### **Phase 4: reviewing themes**

A second interrogation of the original data was undertaken to verify the validity of the proposed themes. On a micro level, this involved re-reading the underlying quotes and references for each code to check that it had been correctly interpreted in the context of the theme it sat within. On a macro level, this involved considering each theme against the entire data set to ensure that the final themes are congruent with the overall findings from the eight interviews. Themes were adjusted and merged at this stage to produce a final thematic map. Section 5.3 provides analysis of each initial theme and identifies the decisions made by the researcher to arrive at the final themes.

### **Phase 5: explore themes to uncover meaning**

Once the final thematic map was complete (section 5.4), each theme has been reflected upon (section 5.5) and final conclusions are shared in section 6.

## 5.2 Initial Themes

### 5.2.1 Initial Thematic Map

Figure 2 shows the first thematic map borne out of the codes produced.

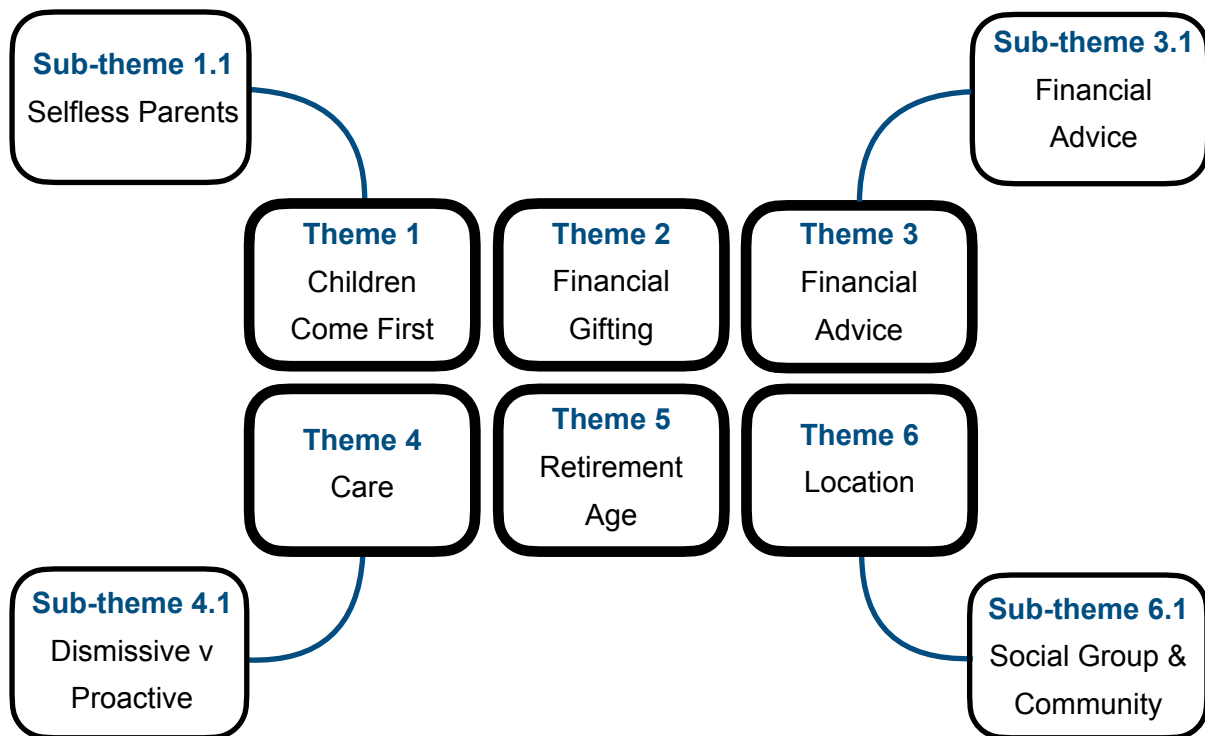


Figure 2 - Initial Thematic Map

### 5.2.2 Summary of Initial Themes

#### Theme 1: Children come first

A common theme across all interviews was the notion that children always come first. This was true for all parents, as well as the childless participants who were asked to picture what their life might look like if they did have children. A sub-theme for 'selfless parents' was introduced to acknowledge the many instances where participants recounted occasions where the needs of their children had absolutely been prioritised before their own needs or lifestyle.

#### Theme 2: Financial gifting

Interview topic five encouraged participants to talk about their plans for leaving a legacy, to understand whether or not this was of importance to participants. The vast majority of participants stated that they hoped to make financial gifts throughout their lifetime, rather than leave a legacy, regardless of whether they had children or not.

### **Theme 3: Financial advice**

This initial theme captures all of the instances where participants have made reference to steps taken to plan for retirement and where they have sought advice from. This initial theme required further attention and was the subject of many adjustments before reaching the final thematic map.

### **Theme 4: Later life care**

When asked to consider the later stages of life, the majority of participants described a bleak existence, reliant upon others for daily care and assistance. There was a significant divide between those who are keenly planning for this stage of life and those who are in denial that this stage of life will arrive. This divide in approach to later life planning warranted the introduction of the sub-theme 'dismissive v proactive'.

### **Theme 5: Retirement age**

When encouraged to talk about retirement, participants tended to focus on the transition to retirement and the age at which this is possible, rather than what retirement is, or what their day-to-day retirement lifestyle may look like. Parents tended to consider their retirement age to be at some point after they had raised their children to become fully independent.

### **Theme 6: Location**

'Topic 2' encouraged participants to think about where they live today and where they think they might live in the future. Parents were specifically asked whether this decision would be impacted by the location of children and any grandchildren. This topic produced interesting dialogue which is worthy of a separate theme to further consider the impact of children on retirement location.

## **5.3 Reviewing Themes**

### **Initial theme 1: Children come first**

A total of eleven codes sat within this theme, with a combined total of 71 extracts across the transcripts. Within the code 'adapt life to fit children'; participants *D* (married couple, retired, two children) explained their decision to move out of London to a rural commuter town, sacrificing a location which was convenient for their own careers in exchange for a larger family home that had a garden and good schools in local proximity. *MrsD* went on to describe how she gave up her London profession to work at a local school, so that her daily schedule tied in with transporting their children to and from school. This series of decisions has had a direct impact on the couples retirement planning, creating reduced earnings potential throughout *MrsD*'s career and disposing of a London flat, which they commented was now probably worth twice the value of their rural home. *MrD* described the lifestyle change to suit

their children as the *'commuting sacrifice'* and went on to explain that the long commute was *'just a killer'* and focused his mind on reaching retirement as soon as possible.

The most prominent code with this theme was 'selfless parents', with sufficient references to warrant a separate sub-theme within the initial thematic map. There were 15 occasions where participants described a selfless act, ranging from lifestyle sacrifices which enabled a better life for their children to deferring long-haul travel and hobbies until children reached adulthood and independence. Without being prompted or asked to do so, all participants with children described at least one example of where they had put their children's needs ahead of their own. Participant *F* (single mother, working, two children) vividly described a time where she had run out of money after separation from her partner and took an international job opportunity as a physio for a wealthy businessman. Participant *D* stated that the opportunity *'saved my bacon financially'* and required her to be *'going forwards and backwards between all the various different places that he was. And coming back, you know, I had a nanny and dovetailed my time with hers to look after the girls.'* This certainly wasn't a job that she wanted to be doing, and in fact she had to give up time with her children to do it, but she was willing to put her personal needs aside in a selfless act to ensure that she could provide for her children.

Having considered each of the codes within this theme, it was decided that the additional sub-theme of 'selfless parents' was not adding a new dimension to the theme and only acted to emphasise the lengths that parents were willing to go to. The sub-theme was merged into the main theme and the main theme was renamed to 'children are absolute priority' to emphasise the strength of the message conveyed by participants.

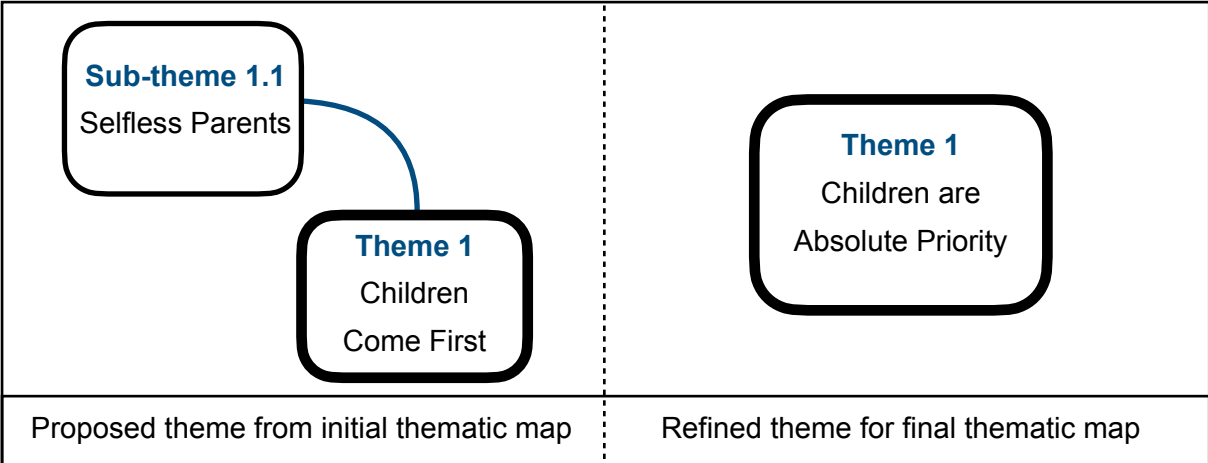


Figure 3 - Development of initial theme 1

## **Initial theme 2: Financial gifting**

A theme of financial gifting emerged, with a clear divide between parents who prefer to make gifts of assets or cash to their children during their lifetime and those who prefer to retain their assets for their own needs and pass on as much as possible at death. The latter view is aligned with the challenges of FPR which are cited in the introduction of this thesis, as without knowing how long you will live for it can be challenging to understand how much you need to retain for your own future needs.

Participants *E* (married couple, retired, two children) are representative of parents who were interviewed and wished to support their children financially:

*'We had aspired to give them both a chunk of capital to at least help with getting on the housing market.'*

Participants *D* (married couple, retired, two children) share the clear ambition of supporting their children but their focus is now on enjoying the retired lifestyle they have recently achieved. They feel that they have fulfilled their responsibility to raise and support their children and their key priority now is to enjoy their own life and anything which is left behind will find its way to their children. They suggested a moral obligation to balance living a good life whilst be careful to not waste money, showing an awareness that everything they spend in life will not reach their children:

*'But we're not seeking to, you know, just blow it as it were, for the sake of it. Is inheritance a thing that's on our mind? It is to an extent yes, yes we would expect to leave the house and whatever's left in the pensions.'*

It could be argued that making gifts during lifetime is a luxury preserved for those who have either accrued significant assets and are confident they can make capital gifts, and those who have access to a financial planner and have calculated their future needs with the help of a professional.

There were also examples where participants acknowledged that they do not yet have sufficient assets for their own future needs and had not engaged with a professional financial planner but still provided financial assistance to children, further diminishing their own opportunity to achieve positive retirement outcomes. Participant *F* (single mother, working, two children) outlined her clear intent to support her children, prioritising their needs and lifestyle over her own:

*'No I'd rather spend it - and spend it on the girls whilst I'm alive, to be honest, and if I am left with zero, but know that i've helped them as and when they've needed, I would be very happy.'*

It is significant that all childless participants described the notion of leaving no assets behind beyond their own lifetime. For those participants, the absence of children has removed the desire to leave a legacy, instead prioritising their own lifestyle and needs ahead of leaving assets to wider family members or charitable causes.

By examining the underlying codes within this initial theme and the context of the referenced statements it became clear that some codes could be merged into the theme 'children are absolute priority'. The remaining codes conveyed important messages regarding the idea of leaving a legacy and whether this was considered to be a priority. The new theme 'legacy' was created, as how and when assets are transferred is an important FPR consideration which appears to be considered differently by parents compared to childless adults.

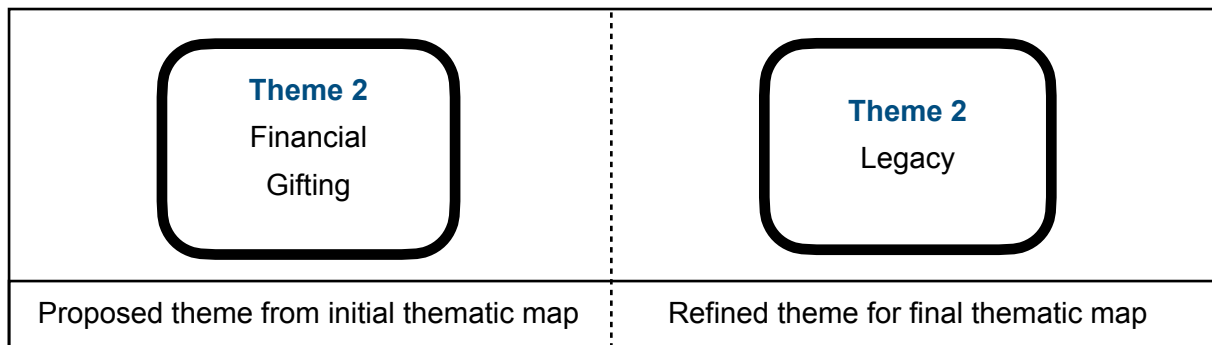


Figure 4 - Development of initial theme 2

**Initial theme 3: Financial advice**

This initial theme captures the 17 occasions where participants made reference to either seeking advice from a professional or receiving external input or advice from another third party. Whether or not the participants had sought advice was deemed a point of relevance when considering the impact of children on retirement planning, particularly if parents sought external advice more or less frequently than those without children.

Participants A, B, C, D, E and G all made reference to using the services of a financial planner. This is not an appropriate representation of the wider UK population, as four of those six participants were specifically invited to the study as clients of the researcher, a financial planner. Participants D (parents) and A (childless) were the only participants not known to the researcher who also used the services of a financial planner. After a simple review it appeared that their commonality was not linked to children, as they both sought professional

advice to tidy retirement savings pre-retirement - thus indicating no clear indication that parents seek financial advice more or less than childless adults. However upon deeper analysis of all six transcripts, it became clear that participating parents all identified financial contributions to children's weddings and house deposits as high priority objectives for their financial plan. This demonstrated that parents who enlisted the services of a financial planner did primarily seek to understand how best to balance their own retirement needs with supporting their children. Participants C (married, working, three children) described the decision to work with a financial planner as:

*'I think the trigger point was... thinking more seriously about what we do with this pot of money? How can we make it work for us - that's what we started thinking about back in our earlier 50s. Going well hang on a minute - rather than just keep pushing it into a pension plan, really thinking about how we utilise that money for us and for our children.'*

Childless participant G (single, retired) made a clear and supportive statement that working with a professional financial planner had improved her retirement journey and outcome:

*'I think a part of my success with this journey from the early 90s to now has been having professional financial plans in place. And the sooner people get hooked into that, the better.'*

Beyond the use of a financial planning professional, a notable finding was that participants reported a positive parental influence on savings behaviour, which concurs with the earlier study by Robertson-Rose (2019). The environment in which participants had been raised had a meaningful impact on how they prepared for retirement, highlighted by participants B (married couple, working, no children):

*'I've always been taught to put into your pension... because you'll get it doubled by your employer'*

Participant MrC (married, working, three children) agreed, stating that:

*'...what was key was my Dad being a Yorkshireman... he said you've got to get a pension. Just get some money in and begin the habit, because you won't miss it.'*

Personal finance is not covered by the compulsory national curriculum in schools (Long and Foster, 2016) and there is a general lack of financial awareness across the UK population

(Atkinson, McKay, Collard and Kempson, 2007; Bhutoria, Jerrim and Vignoles, 2018). The outcome of this is reflected within the interview transcripts, where those who have had access to professional advice or positive parental influence are more willing to save for their future and were noticeably better prepared for retirement.

After a detailed review, the initial theme of ‘financial advice’ was renamed to ‘financial awareness’ to include informal advice and guidance from parents and other third parties. There is evidence that an eagerness to provide financial assistance to children may encourage parents to proactively seek professional advice. A new emerging theme of ‘planning for retirement’ has been formed, with both ‘financial awareness’ and ‘legacy’ as sub-themes, as both are key factors for how the participants have planned for retirement.

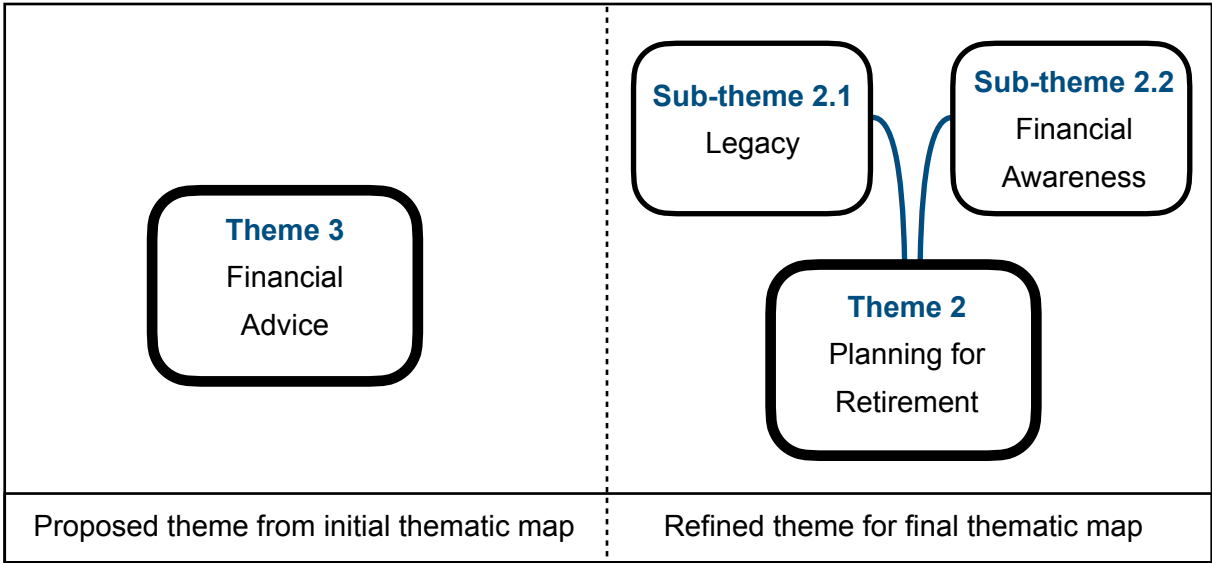


Figure 5 - Development of initial theme 3

**Initial theme 4: Care**

Whilst ordering the coded data into initial themes there was a noticeable difference of opinion between parents who expected their children to support them in later life and parents who felt it was gravely important to not become a burden on their children.

Participants *D* (married couple, retired, two children) made significant lifestyle changes to raise their children and have provided financial assistance for first homes and weddings. They commented:

*“I think it’s a natural thing to do, isn’t it actually to look after your parents.”*

Having provided care to their own parents and supported their children to independence, participants *D* feel an act of reciprocity is deserved and they are very comfortable with the expectation of receiving care and assistance from their children.

Participants C and E expressed a contrary perspective, sharing a strong view that they do not wish to burden their children or be reliant upon them to provide care or financial assistance in later life. When asked to expand on her views, MrsE (married, retired, two children) explained:

*'More than anything I do not want to be a nuisance to our children, I really don't. To not become a burden - that is important that we're able to stay independent of our children so they can live their lives well.'*

MrC and MrsC (married, working, three children) shared the same view and made comments which conflict with participants D - by explicitly stating that they would not want their children to feel burdened by a reciprocity to provide for them:

*MrsC: 'I want to stay as self sufficient as possible and independent as long as possible. I'd move into a retirement village before I burden them with me.'*

*MrC: 'Yeah, I wouldn't want them to think that they owe us, that they have to do that.'*

MrC went on to give a personal example of a friend who he described as *'burning the candle at both ends'* by raising young children and caring for elderly parents at the same time. This negative experience seems to have focused the mind of participants C, to ensure that they do not inadvertently put their own children in the same position. This desire to not burden their children has required participants C to accrue greater assets and wealth in order to have confidence that they can fund their own care. With average UK residential nursing care costs claimed to be £47,320pa (PayingForCare, 2020) and no clear indication of how long you can expect to require care for, if at all, the desire to fund private care adds a high level of uncertainty to parents FPR.

It appears that later life care considerations are a key rumination for parents FPR, albeit not all participating parents share the same outlook. In contrast, the participants without children seem to have different concerns. MrsA (*married, retired, no children*) is currently providing care for her father but has identified that without children of her own she will not be able to rely on anybody to assist her if she requires the same assistance. Her awareness seemed broader than physical care, explaining that without her own *'advocate'* she wouldn't have anyone to represent her own views or other types of support. This extends to tasks like negotiating her home insurance premium, help making online payments and other tasks which she is currently undertaking for her own father. This appears to be a clear example

where parents can receive support from their children - an option not available to childless adults like *MrsA*.

Unlike *MrsA*, participants *B* (married, working, no children) are not yet retired and having worked with a financial planner for several years they have been made aware of the need to be able to fund their own care. This professional advice at an early stage of life has put them in a strong position whereby they can continue building their savings for this eventuality, unlike *MrsA* who has the same concerns but is retired and unable to accrue further savings.

*'We've been planning for the most expensive option, which is care in the home and... we've been overly optimistic about the amount of time that we will require require care deliberately... we have been cautious, haven't we? Because we know that we won't have children to look after us. Knowing that that's not going to be there for us means - it helps you focus on how much care we may need and that we're going to have to finance that ourselves.'*

When reflecting on the interview transcripts it was notable that most participants with children seemed to be confined to the idea that their children would choose a suitable care facility on their behalf when required. In contrast the childless participants seemed determined to retain their independence and either actively make plans for their later life needs or form their own community. The notion of forming a small community of likeminded friends offers the ability to retain some independence in later life whilst also sharing the cost of communal needs. Participants *F*, *G* and *H* all described communal living arrangements with centralising services which are cross-funded by all members, including property maintenance, shopping deliveries and services required by the community such as physiotherapy and haircuts. Participants *G* and *H* do not have children and idealised a communal way of living in later life and interestingly participant *F*, a single parent who wished to make independent choices and not burden her children, shared this view. The two other childless participants *A* and *B* did not seek this communal lifestyle and are taking very different approaches to each other. Participants *B* (married couple, working, no children) engaged the services of a financial planner and are living a modest lifestyle to ensure they can comfortably afford high quality care in later life. Participants *A* are also concerned about paying for their future care needs however they have not planned in advance and this concern has only recently arisen after caring for a parent. Without children to leave a legacy for, participants *A* are resided to the idea of selling their home to fund any care costs but this is reactionary and not planned in advance.

The initial theme of 'care' and sub-theme of 'dismissive v proactive' seemed to be less relevant titles having reviewed the underlying codes and transcripts. Although some

participants acted in ways that are dismissive of their later life needs and others were proactive, there is no clear evidence that this difference of view is triggered by children. For the final thematic map, the sub-theme was merged into the main theme, which was renamed to 'later life considerations'. The final theme name reflects the wider considerations that participants have made towards retirement planning, including the popular concept of forming a later life community.

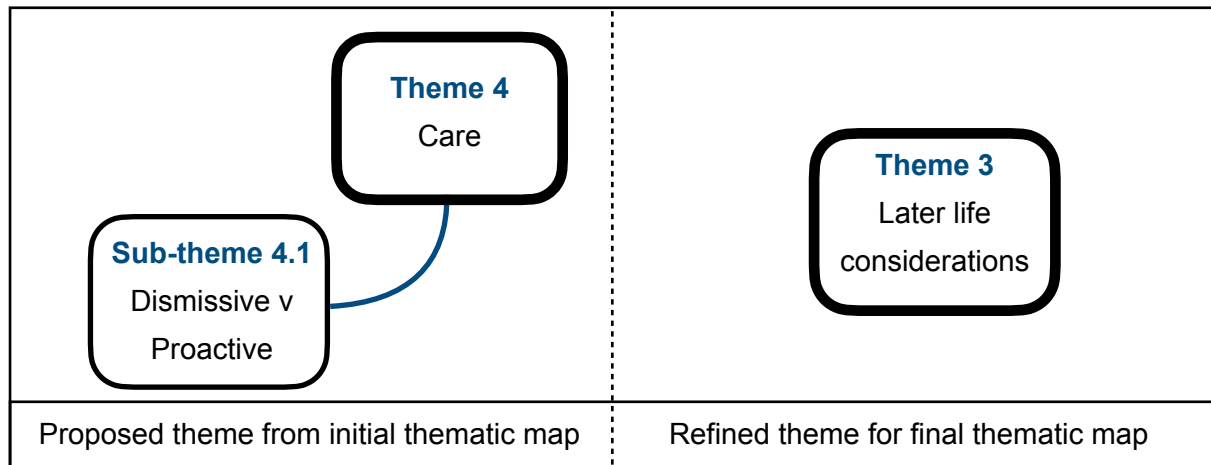


Figure 6 - Development of initial theme 4

#### Initial theme 5: Retirement age

A common idea shared by participants was the notion that children should be supported until they are wholly financially independent - and that this is a prerequisite before parents feel comfortable to retire. This agrees with the previous research identified within the literature review, which concluded that parents are less likely to retire than childless adults (Szinovacz et al., 2001). Parents deferring their own retirement in order to support their children is a strong indication that children impact parents' FPR.

Both retired couples with children (*D* and *E*) claimed that the decision to retire was made much easier because their children had already reached financial independence. Both suggested that they would not have felt comfortable retiring if this had not been the case. When asked why it was important for children to be independent before retiring, participants *E* explained their views as:

*It's tidy somehow. I think that for some years, they've both been fairly settled with their current partners and financially secure, all with their own earning potential and stuff so no longer dependent on us.*

This view was shared by participants *D*, who talked about being afraid to give up their employment and ability to generate income until they had certainty that their children needed

no further support. This was further emphasised by participants C (married, working, two children), who stated:

*'But to me it's absolutely paramount to the way I plan - to make sure that we get them to that point where they can be self-sufficient. Regardless of what age that is.'*

*MrsD* expressed that her career had been held back by raising their children, meaning that not only was she willing to work for longer to support her adult children but she was also willing to make parenting sacrifices which reduced their earnings potential. Specifically regarding career progression, *MrsD* claimed that she had *'held back because of the children'* and said *'I would have pushed myself more'*. These phrases suggest that sacrifices were willingly made and that *MrsD* prioritised raising her children above their overall financial position and as a consequence, their financial planning for retirement has suffered.

The way in which parents approach the decision to retire in contrast to childless adults is perhaps most clearly demonstrated by how each party reports reacting to employment which leaves them unfulfilled or dissatisfied. Parents C and E reported job dissatisfaction but continued to work primarily as their children were not yet independent and they wished to be absolutely confident that they would be financially okay after leaving their role. In contrast the childless participants G and H both reported instances where their employment had become dissatisfactory and they decided to embark on a career change without hesitation. *MrsH* (married, working, no children) recently left a full-time finance role which demanded long hours and regular international travel and has begun retraining to become a garden designer. For *MrsH* this is as much a lifestyle choice as it is an employment decision however the stark reduction in salary is not something that any of the interviewed parents seemed comfortable with at an equivalent stage of life. Similarly participant G (single, retired, no children) left a role some years ago as soon as it became dissatisfactory and has built her own blended retirement consisting of massage therapy, teaching yoga, socialising with friends and leading exercise classes at local gyms.

Without the uncertainty of what financial assistance children might require to reach financial independence, childless adults seem to have a greater opportunity to focus on their own needs and accrue retirement savings throughout their working life. This puts childless adults in a stronger position as they approach retirement, enabling them to take swift and decisive actions when appropriate, without being held back by uncertainty. Having analysed this theme it was decided to merge the initial theme of 'retirement age' into the new final theme of 'planning for retirement' and to create a further sub-theme for retirement age related factors.

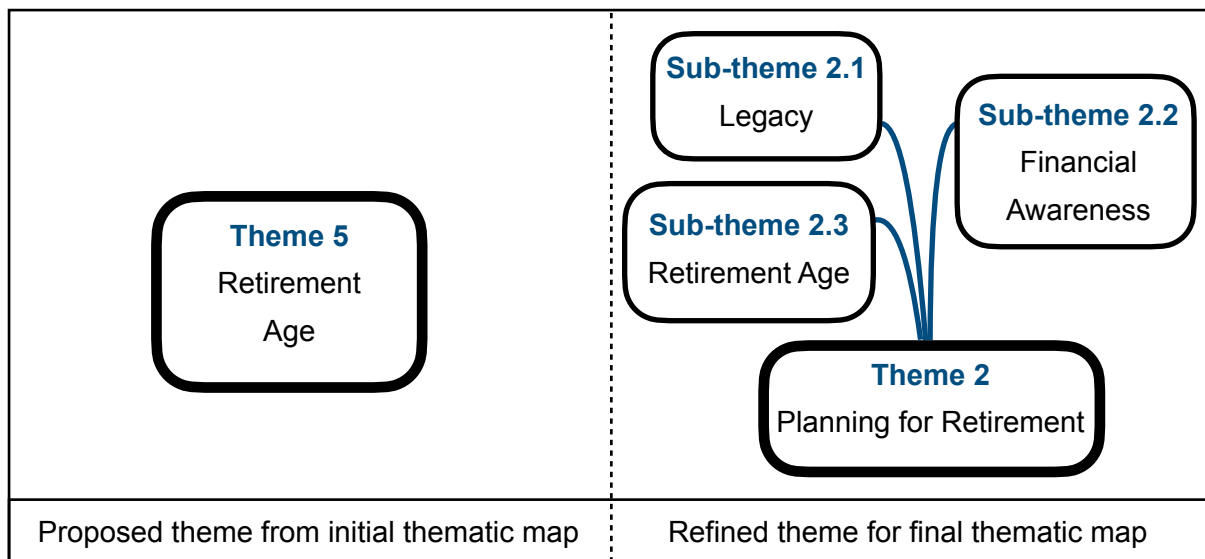


Figure 7 - Development of initial theme 5

### Initial theme 6: Location

The literature review identified that extant research has largely failed to consider the impact of children's location on their parents retirement planning. This was identified as a specific topic for discussion which has created number of codes which are grouped within this initial theme.

Childless participants *B* (married, working, no children) described the transient lifestyle they have enjoyed without the time commitment of raising children; this flexibility has enabled them to follow exciting career opportunities and live in the USA for a few years. Participant *G* (single, retired, no children) also described a similar life's journey, where she had been able to commit to international roles. In both cases the international employments were generously rewarded and have no doubt enabled participants *B* and *G* to better save for retirement. When asked to describe how life may have been different if they did have children, participants *B* were very quick to suggest that they would not have moved around as much and would likely have stayed closer to their roots and their family.

All participating parents were asked whether their children's location is a factor when deciding where to live in retirement. Although half of parents interviewed stated they would certainly follow their children (*C* and *E*), others agreed that they would definitely not move (*D* and *F*). Those who wanted to follow children held strong views, stating *'If they move to Australia, I'll move to Australia.'* and *'suppose if the children moved away with our possible grandchildren, we'd definitely be off... we'd be after them!'*. Those who held the opposite view reported that they had settled into their local community, often with voluntary roles and memberships of local clubs and societies. Having built a friendship base around them over

many years, those who are embedded into their local community generally felt that the sacrifice of moving away was not outweighed by living closer to their children and potential grandchildren. *MrC* explained that although *MrsC* was very keen to follow their children if they moved away, he would be more reluctant as they would be giving up their local connections and there is no guarantee that their children will not move again.

Having analysed this initial theme it appears that where parents choose to settle is as much decided by their local community connections rather than the trying to plan for where their children will live. This could mean that those living in a close-knit rural community are less likely to follow their children than parents who live in a city apartment block however there is no clear evidence that children’s location directly influences parents’ FPR. This initial theme was removed from the final thematic map.

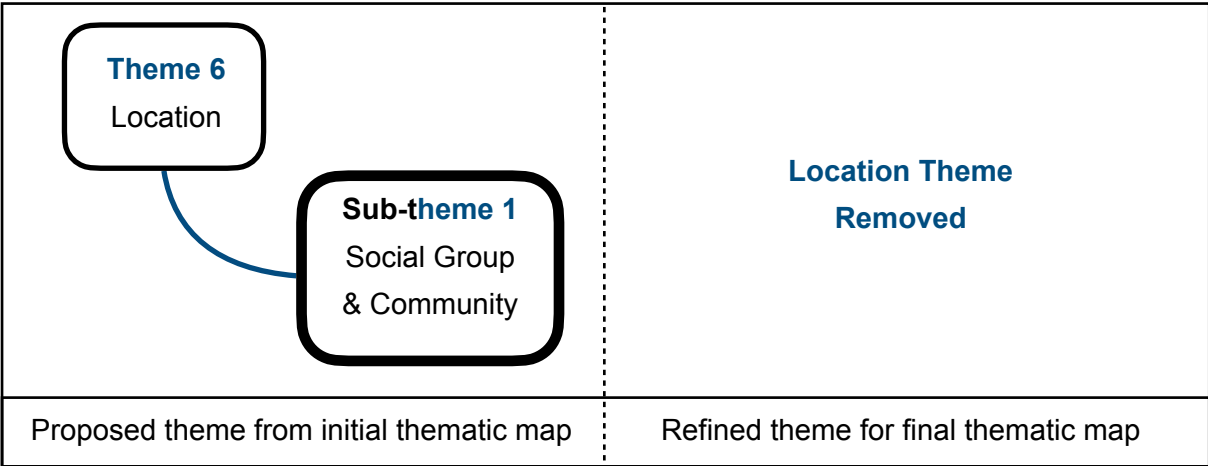


Figure 8 - Development of initial theme 6

## 5.4 Final Thematic Map

The alterations between the initial thematic map and the final thematic map reflect the adjustments and refinements achieved through this analysis exercise.

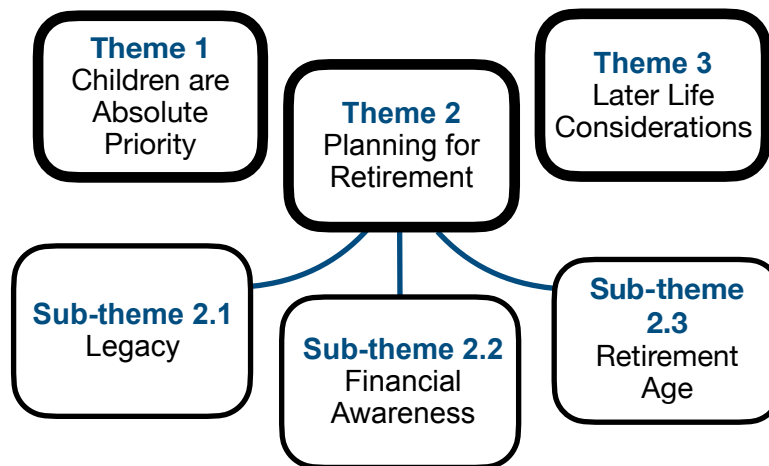


Figure 9 - Final thematic map

The initial thematic map provided six major themes for exploration, which have been reduced to just three in the final thematic map. Key changes identified by the data analysis are:

- The initial theme of 'children come first' was renamed to 'children are absolute priority'; this decision which was lead by a desire to strengthen the meaning of the theme in order to acknowledge the heartfelt dedication conveyed by parents within the study.
- The initial theme of 'financial gifting' was renamed 'legacy' to better reflect the language used by participants.
- The initial theme of 'financial advice' was renamed 'financial awareness' to include other sources of financial knowledge, particularly the wisdom shared by parents which was frequently mentioned by participants.
- New themes 'legacy' and 'financial awareness' as well as the original theme 'retirement age' became sub-themes of the new main theme 'planning for retirement'. The new theme encompasses the most prevalent elements of retirement planning which were considered by participants.
- The initial theme 'care' was renamed 'later life considerations'; thus creating a broader theme which includes the many other elements of later life planning and the challenges of longevity.
- The initial theme of 'location' was removed; further analysis found that the location of children was not the primary contributor to where parents settled in retirement.

## 5.5 Reflections on Hershey's Model of Financial Planning for Retirement

This section reflects upon the research undertaken and considers the findings against *Hershey's Model of FPR* (Hershey et al., 2013), using the structure of the three dimensions; capacity, willingness and opportunity.

### Capacity

There is generally a low level of financial education across the UK population (Atkinson et al., 2007; Bhutoria et al., 2018), meaning that a detailed understanding of personal finance is typically reserved for those who work in the financial services sector. Parents within this study described their key financial objective as balancing providing for their children, typically contributing to weddings, houses and education, with providing for their own future needs. This desire to support children and enjoy a successful retirement was often the trigger which encouraged parents to seek professional financial advice. Working with a professional financial planner provides access to significant knowledge and experience, increasing the 'financial capacity' available to the family. In the cases examined within this study, having children has motivated participants to employ the services of a financial planner, which has had a positive impact on 'capacity'. Hershey et al. (2013) originally described those with low capacity but with high willingness and opportunity to plan as 'incompetent planners'; this study has shown that the decision to work with a financial planner can aid the family and resolve the 'capacity gap'.

Numerous participants reflected positively on the impact of their childhood and upbringing, providing examples where parents had encouraged them to save from an early age or make best use of workplace pensions. In some cases this had motivated parents to not only save for retirement as their forebears had encouraged them to, but also to learn more about personal finance. Robertson-Rose (2019) previously documented the positive impact of strong parental influence on willingness to save - however this study has also shown that it can improve capacity to plan in some cases, by promoting the participants own self-interest in personal finance.

### Willingness

Of the three dimensions of *Hershey's Model*, this study has identified parents *willingness to plan* as the dimension which is most impacted by children. Within sub-theme 2.2 'financial awareness', parents demonstrated a clear desire to provide significant financial assistance to children, typically for weddings, houses and education, regardless of whether their own finances and retirement planning is on-track. In theme 3 'later life considerations' parents held a divided opinion on funding care in the later stages of retirement; whilst some agreed that they could rely upon their children to look out for them in old age, thus removing the

willingness to save, others had an increased willingness to save for care, as they were motivated to not become a burden upon their children.

Whilst the previous two examples have both affected parents willingness to financially save for retirement, sub-theme 2.3 'retirement age' showed us that regardless of whether they had accrued sufficient assets to provide for their own retirement needs, parents were unwilling to commit to a retirement decision whilst children were still finding their feet and not yet financially independent. The added uncertainty of having children living at home or still in further education prompted the majority of parents to put-off their own retirement, until their children were entirely independent and settled.

### **Opportunity**

Theme 1 'children are absolute priority' highlighted the lengths that parents will go to in order to ensure a good quality of life for their children. This included selfless acts such as moving out of London to buy a more spacious home and reverting to part-time work to suit childcare needs or the school run. These lifestyle changes can have a detrimental impact on income by either working reduced hours or moving to a lower-paid part of the UK. The decisions made by these families can have a significant detrimental impact on household income and their opportunity to save for retirement. Sub-theme 2.1 'legacy' also demonstrated how parents can be eager to make financial gifts during their lifetime and also preserve assets to be inherited by their children, diminishing the assets available to fund their own retirement needs. On the other hand, childless retirees were not worried by trying to balance their own needs with anybody else, simplifying their retirement planning and making the decision to stop working abundantly more straightforward.

### **Summary**

*Hershey's Model of FPR* (Hershey et al., 2013) has proven to be a valid and informative model for understanding how adult children can impact parents tendencies to plan and save for retirement. The study has found that children overwhelmingly reduce parent's *willingness* to save for their own future and that the core lifestyle decisions which families make to suit their children can often restrict parent's *opportunities* to create and build wealth. Parents who do not wish to become a burden upon their children *can* find a renewed willingness to save for their later years *after* they have raised children to independence. The refined conceptual framework below reflects this but also highlights that any positive impact on willingness at this later stage of life is outweighed by the negative impact that children have previously had on their parent's willingness to save. Despite parents in this study being less willing to save and having less opportunities to do so, there is no indication that children inhibit parents ability to learn new financial knowledge or their capacity to plan for retirement. This study produced examples of parents who specifically sought professional financial advice to better

understand how they can balance providing for their children as well as their own needs. The refined conceptual framework shows that having children can open the door to seeking financial advice, which would have a positive impact on the families capacity to plan for retirement.

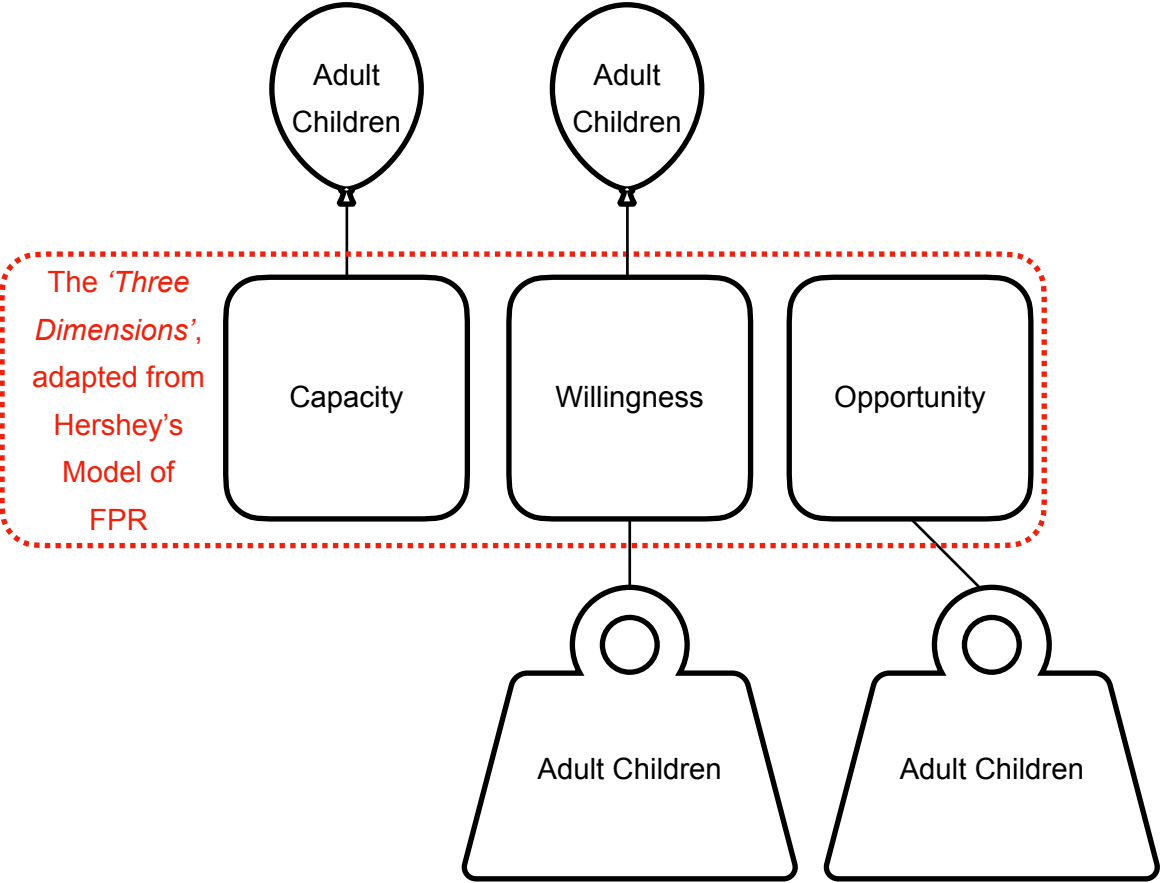


Figure 10 - Refined conceptual framework

## 6 Conclusion

### 6.1 Review of the Research Objectives

This study has provided an in-depth analysis of how eight households have approached their own financial planning for retirement. This section reflects on the stated research questions, and how these have been addressed within the analysis above.

**RQ1:** What effects can adult children have on their parents financial planning for retirement?

The decision to have children is a major commitment for a couple to make together; a sentiment which all participating parents agreed with. The impact of this commitment is most commonly identified in the 'child rearing' phase, when parents are promoting and supporting the development of the physical, emotional, social, and intellectual development of their child from infancy to adulthood. This first research question intentionally looks beyond the early phase of life to understand the impact of adult children, specifically from age 18 until the child is fully autonomous and financially independent. With rising house prices that outpace wage growth (Turton, 2019) and the increased cost of university tuition (Reland, 2018), the period of time for an adult child to become fully autonomous has been slowly increasing. This further responsibility beyond age 18 can even come as a surprise for parents, who themselves often achieved independence before age 18. Discussing their eldest daughter, participants C commented:

*'but the reality is - and I think we've learnt this with NAME - is that we still haven't fully done our bit have we? It goes on for much longer than 18 these days.'*

A review of literature identified that childless couples may feel that life is full of possibilities without financial dependents who might otherwise give their future a fixed direction or purpose. Applying the work of March (1978), it can be theorised that a lack of direction and abundance of choice may restrict the decision-making abilities of childless couples who see their future choices as unrestricted and boundless. The opposite might be true for parents, where the timeline of their children growing up can form the outline of a future that they can envision and plan for together. The majority of participants made statements which agreed with this theory; from parents *D* and *E*, who both diligently planned to make specific contributions to certain objectives as their children reached progressive milestones, to childless adults *G* and *H* who have both redirected their careers and have fluid plans for the future.

Parents of adult children seem to value stability over opportunity when making decisions which impact their income and planning for retirement. Childless participants have been able to grasp opportunities by taking international roles, securing higher pay and improving future employment prospects. On the contrary, parents described the importance of secure employment that could provide for their larger households, to provide a steady and reliable income. Even after their children reached adulthood, parents prioritised financial security and were less willing to pursue employment opportunities which required unsocial working hours or international travel.

With the same motivation of financial stability, participating parents tended to remain in similar roles throughout their working career. Where final salary pensions were on offer parents were reluctant to change employer, valuing the retirement planning certainty afforded by a final salary pension. Contrarily childless adults in this study enjoyed nimble careers; participant *MrsH* described the decision to leave an employer with a final salary pension so that she could retrain as a horticulturalist; a decision that she made relatively swiftly without the uncertainty of dependents to plan for.

**RQ2: How do parents plan for retirement differently to those without children?**

As the study unfolded and the series of interviews took place, it became clear to the researcher that the best way to answer the second research question was not to understand how parents *have* planned - but to focus on how the childless have planned *differently*. In a society where having children is the norm, it was more revealing to consider how childless households approach retirement. The research design intentionally produced a balanced sample of parents and childless adults, generating many examples for how parents plan differently.

Final theme 1 'children are absolute priority' demonstrated how parents make selfless decisions throughout the child rearing phase of life and beyond as children transition into adulthood. Whereas participant *F* was happily funding her adult children's immediate needs ahead of her own retirement needs, a direct quote from childless participant *G* highlighted that the retirement planning of a childless household is not weighed down by the same commitments:

*'nothing in my planning is about 'I really want to leave this much', 'I want to keep this person secure', 'I want to be able to buy that person a house' or anything like that - it doesn't enter into it.'*

The literature review identified that parents ‘...with financial responsibility for children are less likely to retire’ (Szinovacz et al., 2001:S25) and this research determined the same.

Regardless of preparedness for retirement and whether they actually need to generate further income, parents were unanimously reluctant to retire until their children had achieved full financial independence. The uncertainty created by having a young adult in higher education or living at home resulted in parents being unwilling to commit to full retirement. Childless adults on the other hand were very willing to retire when the right moment came, be that at a planned age or if their occupation became dissatisfactory.

Whilst the literature review uncovered extant works indicating that parents need to plan less for later life, as they can rely upon children to provide support, this study has not reached the same conclusion in all cases. Final theme 3 ‘later life considerations’ showed that as childless participants do not have a younger generation to rely upon, they were conscious of the need to provide for their own needs - although this realisation came later for some than it did for others. The clarity that later life care must be self-funded made planning for this eventuality relatively straightforward. Without direct descendants to inherit their assets, childless participants were generally happy to rely upon selling assets and their home to fund later life needs. Parents had different motivations and were keen to leave a legacy beyond their lifetime so that children could inherit from them, as they had from their own parents. Some parents were happy to rely upon their children providing care and assistance in later life, which simplifies the funding of this objective - however this was a minority. The majority of parents felt strongly that they wanted to leave a legacy, so could not rely on their home funding any care needs, and they did not wish to burden their children with looking after them. For parents adding these additional factors, planning for the later stages of retirement is significantly more complex.

Although childless adults have less variables to contend with when planning for the later stages of retirement, this did not result in childless participants taking a simple outlook. The literature review identified a report from the Institute for Public Policy Research (McNeil and Hunter, 2014) which highlighted that the UK is poorly prepared for the projected age demographics of the population in 2050. One of the recommendations of the report was to build new community institutions capable of sustaining the aged population, which is not too dissimilar to the ambitions plans of childless participants; to built their own self-sustaining communities for later life. This approach is one that enables childless participants to retain a level of independence for as long as possible, whilst pooling resources to live with friends in communal or neighbouring homes. This is very different to the more traditional approach

assumed by parents in this study; to stay at home for as long as possible before moving to a residential care home.

The previously uncharted topic of 'location' was identified, to understand if the location of children and grandchildren prompts parents to plan differently for retirement. This study found that where parents choose to settle is as much decided by their local community connections rather than the trying to plan for where offspring settle. This is an area where the researcher expected to find a difference between how parents and childless adults plan to live in retirement but this study identified no clear connection, with community proving a stronger influence.

## **6.2 Reflection**

Given time to reflect on the merits of this research, there are three areas where the researcher feels that the study could have been improved.

Undertaking the transcription and coding exercise highlighted multiple examples where, given time to reflect, it could have been beneficial to ask further questions to verify understanding or slowly transition between topics without leading the conversation. The art of the semi-structured interview was a new skill for the researcher, who has spent most of their career leading meetings and directing the flow of conversation. The output from the interviews could have benefitted from being more natural, something which improved as the series of interviews took place.

One of the sample questions asked parents to consider how their life may have differed if they did not have children; this was a tempting question to ask, as it would provide a relatively direct answer to the research questions. Very little useful information was gleaned from this question as participants were somewhat perplexed by the proposition. Parents found it almost impossible to provide a cohesive way to explain how their retirement planning would differ without children, as they had genuinely never considered this before. Their children played such a fundamental role in their lifestyle and their retirement objectives, that the question was underdeveloped and flawed. On reflection, it would have been beneficial to better consider how participants reacted to certain questions and adjust the sample questions earlier in the study. An extended pilot phase to rehearse the interview style and assess the sample questions would have remedied both of these issues.

A third issue arose on reflection, which was that the participants were a poor representation of the wider UK population. The sampling method was intentionally designed to attract participants with a broad spread of 'characteristics' (figure 2) however when identifying participants with those traits, the method of invitation did not create a diverse sample. The

sample is a good representation of the researchers own clients and their connections however this is limited in terms of geography, social standing and personal wealth. The findings of this study are therefore very limited, not only in terms of size but also diversity, so cannot be generalised to the broader population.

### **6.3 Implications for practice**

There are several findings within this report which are helpful for financial planners to be aware of in their daily work with consumers.

It can be tempting to expect others to always make decisions which you feel are rational; however, the findings of this study suggest that parents can be prone to decisions which feel irrational where children and finance are involved. A striking example is participant F (single mother, two children, pre-retirement), for whom her sole focus was successfully providing for her children. Having successfully raised her daughters to adulthood with little support from their father, she was willing to make further financial gifts to help them buy their first homes despite having inadequate provisions in place for her own impending retirement. She was so determined to provide for her daughters that she had almost forgotten her own needs. For participant F it may have felt entirely rational to prioritise additional support for her daughters over her own basic needs, if this is in keeping with her own personal values. In practice, professional advisers should remember that all consumers will have their own internal personal values, and in order to fully understand an individuals motivations, you should not assume the consumers personal values are the same as your own.

The study uncovered examples of parents who had accrued significant wealth and could comfortably retire, but deferred their own retirement until all children had achieved complete independence. This is an area where a professional financial planner can intervene with the use of cashflow planning tools to demonstrate projected future outcomes based on an agreed scenario. Where there is uncertainty about how much support their children might require, a financial planner would be able to produce a projection based upon an 'worst-case scenario' for supporting their children. If this scenario is still feasible, the parents may then feel sufficiently confident to retire instead of deferring.

There were occasions when participants did not agree with each other, provided a timely reminder for financial planners that some topics are not always agreed upon within a relationship. In the capacity of a professional financial planner you must remain aware of differences of opinion and personal values, give less dominant voices the opportunity to share their views and use your role to create meaningful conversations and find compromises.

#### **6.4 Limitations**

In addition to the limitations identified in sections 4.5 and 6.4, it is also significant that of the participating parents, three have two children each and the fourth pair of parents had three children. Although not by intention, this study has unfortunately concluded with a sample of 'similar parents'. Whilst the sample is representative of the average UK household, it would be very significant if parents with more children planned differently for retirement to those with only a single child - and the sample within this study may have missed this.

#### **6.5 Recommendations for future study**

This study highlighted a number of interesting ideas which are outside the scope of this research project but are worthy of further exploration.

When parents were asked to think about how their friends without children had approached retirement planning, many struggled to think of any close friends that did not have children. Participants *D* commented that most of their social circle was a product of their children; be that from antenatal classes, the parents of their child's friends or likeminded parents met on the touchline whilst supporting their children. Participants *E* even suggested that they looked forward to caring for their future grandchildren and hoped to make new friends by meeting other grandparents. Taking this one step further, childless participants *E* stated that most of their peers and friendship group do not have children. It would be interesting to better understand why this is the case and to understand the extent to which children define the social circles of their parents.

This report has already outlined the interest expressed by childless participants to build their own self-sustaining communities in later life. To achieve this ambition there are a number of obstacles to overcome, such as how communal services would be organised and funded. The researcher suspects that childless adults are attracted to this nirvana of later life as it allows them to retain an element of control having lived a relatively independent lifestyle without children. There would be value in better understanding who this would appeal to and establishing an agreed approach to issues such as communal funding and establishing rules to support this community approach.

Although the sample within this study reflects a narrow subset of the UK population, it was intriguing to see that all participating parents felt they had a duty to help their children on to the property ladder, sometimes doing so in contravention of their own sound retirement planning. It is notable that the average house price is significantly higher compared to average earnings today, than say the 70's and 80's when participating parents were buying their own first home. It would be valuable to better understand why parents feel compelled to

provide this further support, and whether this links to the notion that parents are not comfortable to retire until their children are wholly independent.

Lastly, the concept of a *blended retirement* has been achieved by participant G, whereby she has accrued sufficient assets to draw a passive income, supported by self-employed income from massage therapy, yoga classes and working at a local gym. This modern and open-minded approach to generating income had enabled her to transition into what she described as a *blended retirement* from her early 50's. She described her lifestyle as 'ideal', with structure to her week, an inner purpose and the opportunity for continual growth and learning. Parent F idealised something very similar, albeit having dedicated her life to raising her two daughters she continues to work full-time and seemed further away from achieving this ideal lifestyle. It would be valuable to understand how this style of flexible working and blended retirement is supported by modern society. If a *blended retirement* approach is to become commonplace then retirees might benefit from simpler tax legislation across their various employments and technology to better organise their various commitments.

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## Appendix A – Sample Questions

The intention is for interviews to be conversational and follow pre-determined themes, in any order. The topics for discussion are listed below, along with sample questions for participants who are both **retired** and **without children**.

Topics:

- T1** Retirement age
- T2** Retirement location
- T3** Accruing provisions for retirement
- T4** Funding care in later life
- T5** Leaving a legacy

Examples of questions that may be used, to prompt conversation within these topics:

**Q1:** Can you tell me a little bit about your background, your close family and how you made the decision to retire?

**Q2:** How do you think your plans for retirement would have been different if you had children?

**Q3:** If you had children, do you think you would have worked for longer, or retired sooner?

**Q4:** What were the major factors that determined your decision to retire?

**Q5:** How well prepared did you feel for retirement, compared to your friends with children?

**Q6:** Have you provided care or medical assistance to older generations?  
If not yet, do you expect to in the future?

**Q7:** Have you considered what your life may look like when you reach that stage of life?

**Q8:** Have you thought about your own care needs and who might provide for you?

**Q9:** Are you motivated to leave assets beyond your own lifetime, or do you hope to spend the capital you have accrued?

## Appendix B – Sample Consent Form



### Consent Form

**Name of Researcher:** Josh Butten

**Research Title:** *An evaluation of the impact of adult children on the financial planning for retirement decisions of parents.*

**EthOS Approval Number:** 2020-24993-18377

**Participant Identification Number:**

*(Please initial each box to confirm consent)*

I confirm that I have read the **Participant Information Sheet** dated 04-07-2020 (V1.0). I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.

I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, without my legal rights being affected.

I understand that the information collected about me will be used to support other research in the future, and may be shared anonymously with other researchers.

I understand that the information I disclose to the researcher may be shared anonymously with other researchers.

I agree to take part in this study.

**Participant Giving Consent:**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Researcher Receiving Consent**

Name: Josh Butten

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Version: 1.0

Ethical approval number (EthOS): 24993

Date: August 2020

Page 1 of 1

## Appendix C – Sample Transcript

JB	Don't worry about things that I may know already, in fact feel free to assume that I know nothing about your retirement planning. So if you could tell me a little bit about your working background, and your direct family members?
MrsE	Okay, well, I'm a Solicitor, retired some time ago. And we have two children. NAME, who's 34. And NAME, who's 32 - both now married.
JB	Yep. And getting them across that married line was a big thing for you?
MrsE	Huge thing. Yes. Yeah. And important. And so they're settled and happy.
JB	Yeah,
MrE	I think the 'settled and Happy' is the thing that we're mainly concerned about, but it's somehow - it feels like it sort of underscores that. It's tidy somehow. I think that for some years they've both been fairly settled with their current partners and financially secure, all with their own earning potential and stuff so no longer dependent on us.
MrsE	...and wanting to start families. So we're really hopeful that we might have grandchildren some time.
JB	Okay, I'll come back to grandchildren. We'll come back to that. And then, NAME, your work was in the medical field - so if you could talk a little bit about your work and retirement?
MrE	So I was an NHS consultant for over 30 years, and I retired just over four years ago now, actually, a year before I was 60. So I was 59. After discussions about pension planning and so on and so forth, which was great, and I think part of our decision that that was the right thing to do was the knowledge that even four years ago, our children were more or less able to stand on their own feet and weren't going to be needing sort of regular support from us. Although having said that, as you know, we had aspired to give them both a chunk of capital to at least help with getting on the housing market or whatever they needed that sum of money for. So that certainly made the knowledge that we were going to be able to do that made the decision to retire easier. Although, I can't hand on heart say I think I've just worked on for four years, with a view to supporting our children - because other aspects of the work were becoming more and more... well, let's say less and less rewarding.
JB	Yeah. You had to draw a line at some point. But it sounds like for both of you that the fact that they were settled, and independent to use your words - the fact that they were at that point, helped you to feel that you've done your part and you've gotten to them to that point, which gave you some comfort?
MrE	Yeah. So we've moved into another phase of support.
JB	Yep. Yeah. Okay. So in terms of that, that next phase of support, what does that look like?
MrE	Well, I suppose, having got the second wedding done and dusted, we're sort of not exactly drawing a line under support, but I think it feels a bit more like a safety net. If there was some crisis on the job front or ill health or whatever that might be that - we're there and we've obviously got some capital that we could divert to provide support if necessary. So we get comfort from the fact that we can help if we need to.
MrsE	And that's important. The safety net.
MrE	Very important. Yeah. Other than that, I suppose we're thinking about helping with house moves, furnishing and grandchildren when they come along - those sorts of things. But none of it is such an absolute requirement for us anymore. Is it? something to consider on its merits and always with a view that what you know we do for one of our children we'll need to replicate in some fair way for the other.
JB	Yep. Yeah. Okay. So it's a very much equality between them is important as a value. How do you think retirement might have been different if you didn't have children?
MrsE	Oh,well, we'd be totally free! What would we do take, off around the world or something? Totally different!

MrE	What would we have done? Yeah, I suppose it's not just retirement but our lives working up to retirement would have been different. I suppose that some of the things we're excited about doing now, we'd have already done.
MrsE	Well, I think we would have taken off.
MrE	Yeah, we would have been more self centred with our decisions I suppose. We could definitely have done more travelling.
MrsE	Now I love being in touch with our children. And I mean, we've just had NAME and her husband living with us all through lockdown. That's lovely. As long as they go again! But it's, it's great. I really enjoy our adult children and their friends. But, um, so if we hadn't had them, I think I would definitely want to be jetting off all over the place much more.
JB	Okay, something you mentioned there NAME was, "We'd be free, we wouldn't have the tie" so when you say that, what do you mean? Is that just the financial tie as in thinking about the fact you need to make sure they're okay, or is that other things?
MrsE	It's everything, financial, as well as just wanting them to be happy and supported and feel supported. I know they're grown up, but I still feel there is a role for us.
MrE	Yeah, I was gonna say I suppose, we have been less willing to take risks with our lifestyle, with activities, with financial matters, because there's always this sort of responsibility lurking out there that, you know, you might need to be around or you might need to help in some shape or form. I suppose we might have been a bit more self centred and selfish. It's not a good word. But yeah.
MrsE	Well we wouldn't have to think about anyone else really.
MrE	I'd feel considerably impoverished, not so much financially but spiritually I suppose.
JB	I think being self centred if you don't have children isn't a bad thing. I think if you had children and you were self-centered - that might be a bad thing! (laughter). If you were 'free' and weren't tied, then to be more self centred seems sensible, doesn't it? I guess who else is there to just spend the time and effort on? It makes sense. Did you ever consider not having children?
MrsE	No.
MrE	No. Didn't even talk about it did we? And they came along pretty soon after we got married.
JB	Okey doke. So the major factors then that led to a retirement decision - I appreciate there was some financial planning that you did with ourselves - but could you just explain in your own words what were the key drivers? What meant actually, the day that you did stop was the day that you stopped? Why didn't you stop sooner? Why didn't you work later?
MrE	Ah well, I do think the work we did with you, about the financial planning and the tax implications and all the rest of it, were the most important thing really because I was getting fairly dissatisfied over the last couple of years of work and the sort of pleasures of working were far outweighed by the frustrations and so on. So the news that actually it was feasible and not too detrimental to us financially to go when I did. That was the was the key driver but with with the knowledge that, you know, both our children were educated and in a reasonably stable sort of place so, so that you wouldn't regret it subsequently.
JB	Yeah. Okay. Thank you.
JB	Have you got any plans to move at all in retirement or later life?
MrsE	No, probably not.
MrE	Not unless, I guess, sort of ill health forces us into making those sorts of choices.
MrsE	Yes. We might have to face it sometime. But if we can stay here, I don't feel any need to move. Because our friends are around us. And our family and children are both close. Suppose if the children moved away with our possible grandchildren, we'd definitely be off. We'd be after them!

MrE	At the moment NAME and NAME are less than 20 miles away and NAME and NAME are in London but looking to buy somewhere on the west side of London. So that's handy for us and then yeah, and then they might possibly move on. to the country.
JB	Okay. Just to explore something that you mentioned there NAME - If there were, to be grandchildren, and they did decide to move further away and take the grandchildren as you said - do you think you'd follow the children and grandchildren or do you think you'd stay where friends are?
MrsE	That's a very good question. It's hard to answer hypothetically, it really is hard to answer. So I think the answer is I don't know, actually. Family is important, but so are friends. It would very much depend.
MrE	I think it would depend on where they'd gone and why they'd gone whether it was a permanent move, I just got a sneaking feeling it's a mug's game to just go chasing after your children - as they could move again!
JB	Yeah. Okay. So an interesting point there is the the strength of the close friends and social groups that you mentioned as well.
MrsE	Yes, very important. I think it's terribly important, as much as I adore my children, to be independent of them as you get older. So I think it's important to have your own friends and your own life for their sake as much as ours - and to have the funding to do that.
MrE	Yeah. And having been in the same village for the last 30 something years now, it was highlighted by the wedding recently - what a lovely community it is and how much support there was and everyone rallied around and helped in weird circumstances. And it's all part of that isn't it, would be very difficult to recreate that in whatever time is, is remaining for us. Community is an incremental thing that builds up.
JB	Okay. Thank you. So, you mentioned later years then and the plan to stay in your home for as long as health allowed. Have you thought about that later stage of life? Have you have you helped any family members that are in that stage of life?
MrE	We watched my mother decline over some years but she was very fiercely determined to stay in her own home as long as she possibly could, which actually she did up until virtually the end of end of her life. And ongoing issues with NAME's Mum at the moment.
MrsE	Yeah, she's also staying at home.
MrE	Although I think we both feel it would have been much better if she had agreed to move into some sort of sheltered accommodation a few years back.
MrsE	She's not that kind of mother!
JB	Okay. So you're very aware of that stage of life and what that can look like by the sounds of it. If we were to fast forward the clock and put yourselves in that position, what do you think life might look like? Who would be looking after you? Where would you be?
MrsE	I would hope to stay at home as much as possible as long as possible. But I would be quite happy to move into a nice home. A nice comfortable home where they bring you lovely food and drink and all the rest of it.
MrE	Yeah, I think NAME has always been fairly clear that she wouldn't, see this as a particularly bad life - if it's the right time where she could play bridge with like minded elderly cronies and have a whale of a time.
MrsE	That's not so easy to find. But I think more than anything I do not want to be a nuisance to our children, I really don't. To not become a burden - that is important that we're able to stay independent of our children so they can live their lives well.
JB	Okay. And 'not being a burden' is quite strong phrase but I feel I know what you mean. You've supported them and you've educated them and they've flown the nest and they've gone off and they've settled. So I guess what you're saying there is the idea of them being pulled back in - having given them all of that freedom and ability to do that - to then pull them back in is something you'd definitely want to avoid.

MrE	Yes.
JB	And within your social groups, bridge club or anywhere else, have you've got anybody that you can think of it's sort of similar age, but doesn't have children?
MrsE	Oh, yes. Yeah. Well, there's NAME and NAME.
JB	So how do you think your sort of retirement differs to there's? How do you think the fact that you do have children has impacted the way that you've gone about things?
MrsE	I think having children writes off more of our time, so we've got less time to do other things. The wedding that's taken over the rest of this year - but, I mean, it does take up a lot of our time having children.
MrE	And I suppose obviously it's taken up a lot of our time for the last 30 something years, which I guess if you hadn't had them you might have gone down another road and developed more interest so yeah.
MrsE	Yeah, I mean, our friends who have never had children, they just travel the world on whim.
MrsE	Yeah, I think you probably developed more interests, don't you if you don't have children because you have time? Maybe. And having interests is quite helpful I think when you retire.
MrE	Yeah there's been a sort of lag for us. We suddenly have got this newfound freedom but we are still identifying interests to fill all of our time.
MrsE	On the other hand, we've met friends through having children. There's this is a sort of grandparent thing which could possibly take off. Some of my friends now have grandchildren and I could see that becoming a bit of a thing to socialise with others in the same position. I don't know. A grandchildren community could happen!
JB	One interesting topic is leaving a legacy. So obviously you've helped both children through life, so education, homes and recently weddings. As you think about leaving money behind, as a legacy, is that something that's important to you? Are you minded that you've helped them out to the extent that you have and actually before, you'd be very happy to spend everything else yourselves and make sure that you do catch up on those things that you've been missing out on by looking after them? Or actually, do you think actually no, it's important that we do leave a legacy behind for them?
MrE	It's not particularly important to me as they're well paid at the moment. I'm not sure that being left loads of money is likely to make them any happier. So I'd like to leave them money but it's not mega-bucks in the context of their earnings.
MrsE	And also it always comes at the wrong time. As I intend not to die for a few years and they probably need it now rather than later.
MrE	Yeah. What I was gonna chip in and say is more about what we were saying earlier -for us it's about being there for them with a bit of a safety net for these next years, especially if there are small grandchildren.
MrsE	Yes, yeah, I'd much rather help them while we're alive and when they need it. So I'd rather help them when they need a new kitchen or whatever.
MrsE	A legacy - not that important.
MrsE	It is actually going to be tough. The younger generation is going to find their pensions aren't what ours are.

JB	Okay, just to summarise some bits then, so no plans of relocating or moving at all. And you're almost averse to the idea of following children if they were to move away because you've got a great community, social life and everyone having people you know around you. And also you got no guarantee that they won't move again. In terms of care, you have a fairly strong view as you definitely don't want to become a drain on their time and effort in your later years - you want to remain independent - be that in your own home, like previous generations, or equally you would be happy to fund care to ensure that you've got a good quality of life, and equally, you're not a burden. You mentioned being keen to help out with things during lifetime rather than leave money beyond your lifetime. You mentioned that you might have been more selfish and you'd have different priorities. Your retirement decision didn't seem to be triggered at all by Children is very much about your own personal circumstances, particularly for NAME in terms of the pension ages and decisions that you have that.
JB	NAME, what did you do earlier in life when the children were younger?
MrsE	Yeah, I worked all the time whilst they were living with us at home, which is ridiculous, really, because I then stopped after they left home. I did the whole caboodle really, the school run and working and yeah, it was quite tough.
JB	Yeah. Okay. And how long ago was it that you stopped working?
MrsE	It was about 12 years ago, when I stopped doing proper work. I did little jobs here and there just to keep me amused but I gave up being a solicitor 12 years ago.
JB	Okay. Okay, since that was eight years before NAME stopped.
MrsE	Yeah, yes.
JB	Okay and what was the the key driver for you to stop working?
MrsE	I hated my job. Well I had a job share. My job share colleague also hated our job - it was just the way but we weren't happy at the time. So she gave up and I struggled on and I yeah, I just hated it. I believe NAME said, "Well, why don't you stop?" and so I did, but he denies it!
MrE	I think that we did have the discussion that working part time, working ridiculous hours and really, for the amount of money that was coming in compared with what I was earning by that stage. It just didn't make any sense really. It's not as if NAME was getting a lot of pleasure and fulfilment out of it at that stage. So we haven't looked back. That was after school fees, must have been.
MrsE	Yeah, yes. It was after the children had left school.
JB	And you mentioned school fees there. So you would have had so how many years would you have been funding school fees for do you think?
MrE	We funded them through from prep school. Yes, right through to university education, both private.
MrsE	Yeah. So about 14 years each.
JB	Okay. So there's a lot of education costs through there that you've funded. Was that funded through income? You mentioned earlier some help from NAME's Mum, was that with education or was that something else?
MrE	No it was income.
MrsE	That was mainly why I carried on working until I did.
MrE	And the private practice income sort of paid it, there was a good amount of money coming in at that time.
JB	So it sounds like NAME's role was unpleasurable but whilst you had the school fees to pay, you could justify doing it. As soon as that was no longer the case, you were all of a sudden not quite as motivated to work, which is understandable.
MrsE	Yeah

JB	Okay, I've touched on all the different topics those that wanted to unless you've got any other thoughts or anything else that you think might have been interesting or relevant here when you think about your retirement and how having two kids has impacted that for you?
MrsE	I think it's actually it's everything. Because the children sort of underly our whole life and our whole thinking.
MrE	I mean, having retired and had that extra year as well, it's been lovely for us and we've seen a lot more and been able to be a lot more active and supportive of various aspects of our children's lives, whether it's house buying or sorting out wedding plans and all the rest.
MrsE	Yeah, we've enjoyed them. We're enjoying our children and their partners.
JB	Good. Good. Okay. Excellent. There we go. Well thank you for your time.

## Appendix D - Summary of Codes

Summary of codes:

Code	Stated in Interviews	Individuals References
<b>Theme 1 - Children Are Absolute Priority</b>	<b>6</b>	<b>60</b>
Adapt life to fit children	2	6
Adult children are expensive!	2	4
Children are major time commitment	2	2
Children come first	3	8
Children could have denied opportunities	2	9
Children hinder career progression	2	3
Keen to provide safety net for children	2	5
Selfless parents	4	15
Treat children equally	1	1
Willing to support grandchildren childcare	3	3
Young children are expensive	3	4
<b>Theme 2 - Planning for Retirement</b>	<b>8</b>	<b>68</b>
<b>Sub-theme 2.1 - Legacy</b>	<b>7</b>	<b>17</b>
Leave no legacy	4	7
Lifetime Gifts	3	7
No plan for where legacy will go	1	2
Wish to leave a legacy	1	1
<b>Sub-theme 2.2 - Financial Awareness</b>	<b>7</b>	<b>17</b>
Informal Advice	2	2
No attempt at financial planning	1	2
Parental Influence	3	5
Sought Professional Advice	5	8
<b>Sub-theme 2.3 - Retirement Age</b>	<b>8</b>	<b>34</b>
Age target for retirement	2	2
Children delay retirement	4	7
Final Salary Age triggered retirement	1	1
Flexible about retirement age	1	1
Independent Children is prerequisite for retirement	3	11
Job dissatisfaction prompted retirement planning	4	7
Love work - continue in retirement	1	2
Opportunistic & Flexible on retirement date	2	3
<b>Theme 3 - Later Life Considerations</b>	<b>8</b>	<b>28</b>
Actively planning for later life & care funding	1	2
Caring for another prompts concerns of own care	2	5
Dismissive of needing care in later years	2	2

Expect Care assistance from children	1	1
Form community in later years	3	7
No children - so who looks after me!	1	1
Not wishing to be a burden	2	5
Plan to downsize to fund care	1	3
Planning care & later life from an early stage	1	1
Sandwich generation - looking out for parents and children	1	1

## Appendix E - Extract from Code Book

### Final theme 1 - 'Children are absolute priority'

#### **Code: Selfless parents**

"And I mean, we'd had discussions, hadn't we, that if we did have kids we'd have wanted them to have had the best education and all of that sort of stuff." MrB

"That's what I was thinking. We had the mortgage, the private education, all coming to an end. And then you thought, okay, what can we do for ourselves now?" MrsC

"So effectively in the order of priorities, once they were taken care of, we were then happy to start thinking about what we might do next" MrC

"It was a bit of a slog going into London every day for 30 years from where we live, you know, it adds about four hours a day into the working day." MrD

"We have been less willing to take risks with our lifestyle, with activities, with financial matters, because there's always this sort of responsibility lurking out there that, you know, you might need to be around or you might need to help in some shape or form." MrE

#### **Code: Children could have denied opportunities**

"We wouldn't have done the secondment to USA" MrB

"I think we were able to take opportunities, because we had no ties - that we absolutely wouldn't have been able to have done if we'd had family." MrsB

"And I suppose obviously it's taken up a lot of our time for the last 30 something years, which I guess if you hadn't had them you might have gone down another road and developed other interests" MrsE

#### **Code: Children come first**

"The only reason why I kept working until now was because I was thinking "what about the girls", "what if they need money", we didn't need the money for ourselves - I was thinking about saving money for the girls but actually, they'd rather me be able to look after their children or babysit or whatever. I think they'd rather have that when they need it, which is what I would have liked - than the money when I'm, 90, you know." MrsC

"The children sort of underly our whole life and our whole thinking." MrsE

"So that's sort of where I'm at now and it is quite freeing in one respect but also slightly odd having choices that you can make because you're so used to being the carer for somebody else, and making sure that other people's needs are met. And then suddenly it occurs to you, oh, you've got to start thinking about your pension and oh, you've got to start thinking about retirement - and I haven't been very good at all of those sort of things" MrsF

#### **Code: Adapt life to fit children**

"I went back to work as a TA at a local primary school because it fitted in with the children" MrsD

"You know, because basically the primary function is to make sure that your children get through the whole sort of period as unscathed and as, hopefully nurtured as possible. So everything at that point was geared around making the home work, and me being able to work from the house so that I could see patients in the evening and still be here for the girls in the evening." MrsF

**Code: Children hinder career progression**

“I would have progressed more in my career. And I might have actually gone to board level or whatever because, I personally have held back because of the children.” MrsC

“I think I might have been more successful career wise. Because I would have pushed myself more.” MrsC

“I think having children has been.... not a distraction but an extra extra factor that's dominated. I think, if I hadn't had children, work would have been my sole focus.” MrsF

**Final theme 2 - 'Planning for retirement'**

**Sub-theme 2.1 - 'Legacy'**

**Code: Leave no legacy**

“I think the rest of us that haven't got children are quite happy to blow it all on our own good care so we're not in the council nursing home and hopefully something which is slightly nicer.” MrH

"none of my Future Planning is about how much I get to leave to others and that may sound selfish, but this is really about me being able to live the life that I've worked so hard for, and to do whatever I want whenever I want. And that doesn't mean I haven't been benevolent throughout my time or won't continue to do that. But nothing in my planning is about 'I really want to leave this much', 'I want to keep this person secure', 'I want to be able to buy that person a house' or anything like that - it doesn't enter into it.” MrsG

**Code: Lifetime gifts**

“We probably wanted a help with a deposit for a house, which may or may not be returnable. They will probably need to get married - well not need to get married, but would get married - and therefore, you know, we'd need a chunk of money at that stage, which would be non-returnable.” MrD

“I'd much rather help them while we're alive and when they need it. So I'd rather help them when they need a new kitchen or whatever.” MrsE

“No I'd rather spend it - and spend it on the girls whilst I'm alive, to be honest, and if I am left with zero, but know that i've helped them as and when they've needed, I would be very happy.” MrsF

**Sub-theme 2.1 - 'Financial awareness'**

**Code: Sought professional advice**

“I think the trigger point was getting to know you Josh and thinking more seriously about what do we do with this pot of money? How can we make it work for us - that's what we started thinking about back in earlier 50s - going well hang on a minute - rather than just keep pushing it into a pension plan. Really thinking about how we utilise that money.” MrC

“I do think the work we did with you, about the financial planning and the tax implications and all the rest of it, were the most important thing really” MrE

“I will say one thing. I think a part of my success with this journey from the early 90s to now has been having financial plans in place. And the sooner people get hooked into that, the better and at that time, I really wasn't in a good place - I didn't have a lot. I didn't have money in the bank. But the financial planning journey started then and I think that's key. Really key.” MrsG

**Code: Parental influence**

"...what was key was my Dad being a Yorkshireman... he said you've got to get a pension. Just get some money in and begin the habit, because you won't miss it." MrC

"I was actually brought up under an environment of if you can't afford it, don't buy it. So I've got quite an appreciation for money. I just try not to borrow - if I can't afford it, I don't buy it." MrsH

**Sub-theme 2.3 - 'Retirement age'**

**Code: Independent children is a prerequisite for retirement**

"But the reality is that I think we've learnt with NAME - is that we haven't done our bit have we? It goes on for much longer than 18" MrsC

"But to me it's absolutely paramount to the way I plan - is to make sure that we get them to that point where they can be self-sufficient. Regardless of what age that is." MrC

"To an extent, obviously they needed to be financially independent, which they were." MrD

"It's tidy somehow. I think that for some years, they've both been fairly settled with their current partners and financially secure, all with their own earning potential and stuff so no longer dependent on us." MrsE

**Code: Job dissatisfaction prompted retirement planning**

"I hated my job. Well I had a job share. My job share colleague also hated our job - it was just the way but we weren't happy at the time. So she gave up and I struggled on and I yeah, I just hated it." MrsE

"You get to a certain age where you don't want to be doing the hours, the travelling, the jobs that we were doing." MrH

**Code: Opportunistic & flexible on retirement date**

"I was always intending to retire at 60. But then work were looking to cut down on staff and they were offering voluntary redundancy. So I decided to take advantage of the voluntary redundancy and actually go a year early." MrA

"I will continue to work for as long as I feel passionate about it and have the enthusiasm and the energy and the health." MrsG

**Code: Love work - continue in retirement**

"I really love the work that I do. And if I'm really honest, I could probably keep working for a very long time. My thoughts on retirement are - not that I don't want to retire - it's that I want to work and do work that I enjoy doing because it really enriches my life." MrsF

"What I'd like to be able to do - is work because I want to work, doing the work I want to do, whether that's paid or whether it's study, and I'd like money not to be an issue in that decision." MrsF

**Final theme 3 - 'Later life considerations'**

**Code: Form community in later years**

"What I would really like to do is get a group of my friends, you know, all of us who are all getting older together and buy a big place, all live in it together, maybe in France, but you know, and then between us fund it." MrsF

“Friends of mine and I have talked about setting up our own 'shady pines' - can you imagine! And kind of buying somewhere that was a communal space that we could all share - it was need to be big enough that we could all have, you know, independent living, and to have a lot of young people around us to look after us and even build our own community.” MrsG

“We'll just all set up and buy a house together and get someone to come and look after us” MrH

“But the one thing that drives it is a real practicality, your money will go further. You know, if you've got three or four elderly couples that are looking to do something, your money is just going to go a lot further.” MrsH

**Code: *Caring for another prompts concerns of own care***

“It probably crossed my mind, but it is now very much to the front of my mind now I'm having to do this for my father.” MrsA

**Code: *Not wishing to become a burden***

“No. I want to stay as self sufficient as possible and independent as long as possible. I'd move into a retirement village before I burden them with me.” MrsC

“Whether that's choosing the right home or wanting to look after us, that's fine. But I wouldn't burden them. But I'd hope they'd want to do it.” MrsC

“But I think more than anything I do not want to be a nuisance to our children, I really don't.” MrsE

**Code: *Expect care assistance from children***

“I think it's a natural thing to do, isn't it actually to look after your parents” MrD

**Code: *Dismissive of needing care in later years***

“Oh, no. I am in slight denial over it. I think I'm Peter Pan and think I'm going to be living healthily forever. No if I'm honest.” MrsF

“I hope to keep as active and as physically fit and mentally fit as I can for as long as I can. And for me, you know, I'm quite optimistic about my ability to do that. I think, you know, I don't know if that's unrealistic but I'm thinking I'm going to be an active participant in my life into my 80s.” MrsG